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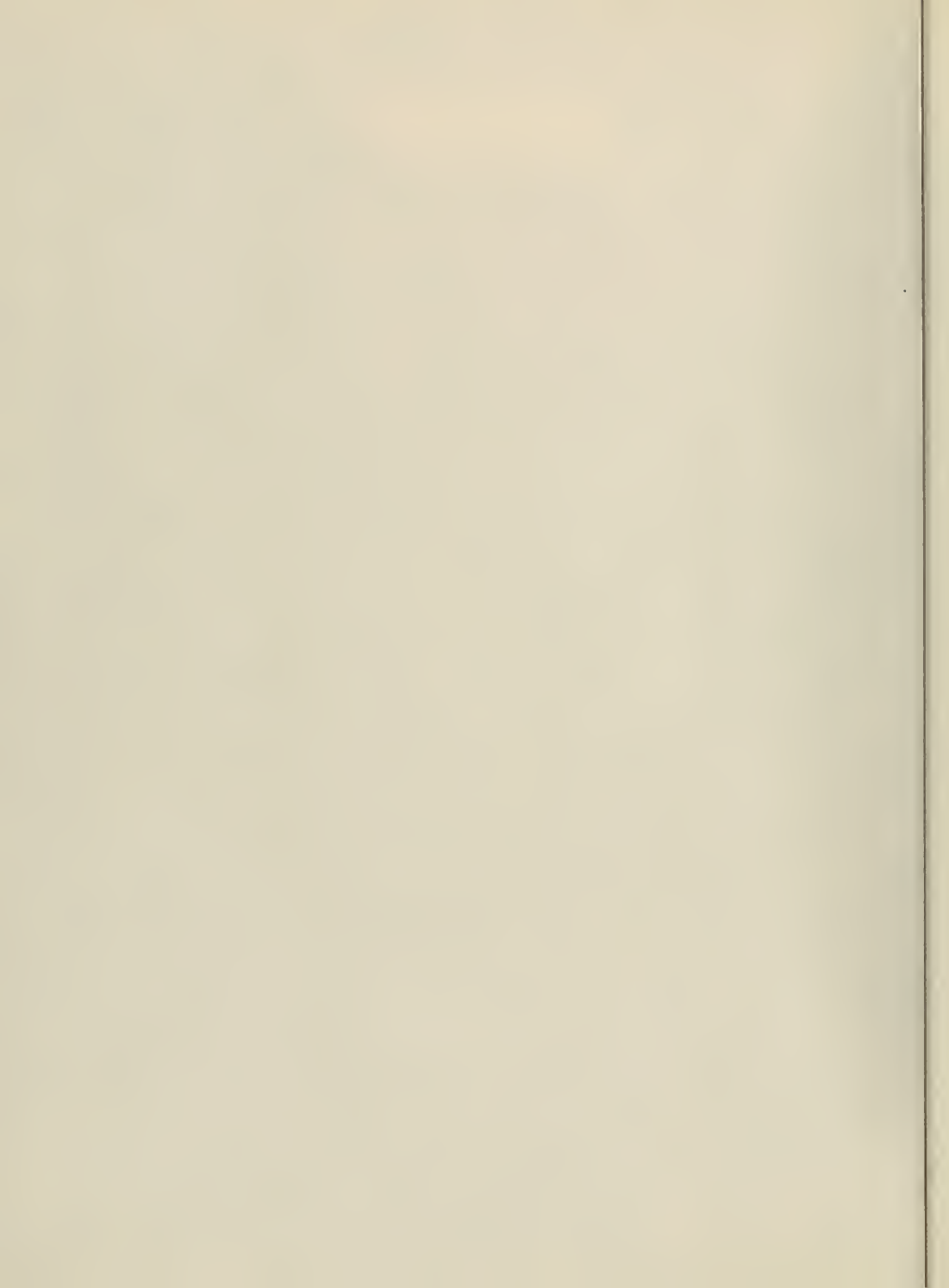
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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF OCTOBER 1977

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of October 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Rubin Glickman
Walter F. Kaplan
Melvin D. Lee

DOCUMENTS

and the following were absent:

Dian Blomquist
Dr. Hannibal A. Williams

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

APPROVAL OF MINUTES

It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of September 27, 1977 and the minutes of two Executive Meetings of August 16, 1977, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) The Agency staff has been working with City staff on the selection of an urban design consultant for the Yerba Buena Center project. Mr. Kernan indicated that 17 proposals were received and the review committee has narrowed these down to five which will be interviewed next week. The committee's recommended selection will be reported to the Commissioners for their approval.
- (b) Last Friday, September 30, 1977, the Agency was honored by the American Industrial Properties Report magazine, which selected India Basin Industrial Park as one of the six most outstanding industrial parks in the United States. The judging was made by an independent group of industrial development experts from a field of approximately 140 industrial projects. India Basin was chosen for promoting industrial development that is in harmony with nature and for uniqueness nationwide of providing job opportunities in conjunction with a housing development where unemployment is extremely high. The presentation of the environmental award was held in conjunction with the Morgan Equipment Company's groundbreaking for construction of its \$2 million international headquarters. Mayor George Moscone and Mr. William Dauer, Executive Director of the Greater San Francisco Chamber of Commerce commented favorably on Mr. Morgan's decision to remain in San Francisco and the Agency's activities.



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REPORT OF THE EXECUTIVE DIRECTOR (continued)

in making India Basin successful.

- (c) Mr. Kernan reported that the Agency's softball team won its second victory over the Bay Area Pollution Control team and was awarded a trophy which is on display in the coffee lounge.

REPORT OF KEY STAFF MEMBERS

- (a) Status of the Hunters Point Phase III development.

Mr. Earl P. Mills, Deputy Executive Director for Community Services, came forward and reported on the third phase of the Hunters Point project and indicated the location of these on an overlay map. Mr. Mills noted that Phase I is essentially complete, Phase II is now being developed with two of the five sites now under construction. Rental of the first housing, the LaSalle Apartments, has begun and the Agency is in the process of obtaining commitments from HUD to proceed early next year on Sites C, D and E. Mr. Mills indicated that the presentation concerned the design plan for Phase III and staff and consultants had worked to develop a plan which has received approval from the Bayview-Hunters Point Joint Housing Committee. Mr. Mills pointed out the parks, schools, and recreational areas on the wall maps, and requested Mr. Walter Yamagita, Project Architect, to continue the presentation.

Mr. Yamagita indicated that the total area of the 3rd phase consisted of 21 acres. The completion of Phase II would essentially provide the few families still living in the barracks buildings with the completion of Phase II and relocation of these remaining families will enable the Agency to go forward with site improvements for the 3rd phase. He indicated that the site would afford a panoramic view of the bay and had the best weather in the City. Of major consideration is the steep topography, wind and lack of trees on the rocky site. Mr. Yamagita noted that completion of this phase will essentially complete the project and noted that this area has been allocated for market-rate housing. The uses will include housing for the elderly, shopping, and parking for the community facilities, as well as open spaces and two church sites. The streets are not designed as wide thoroughfares but will wind through the area to cut down high-speed traffic, and there will also be so-called "super paths" which step down from the hill. Housing will be clustered and separated both horizontally and vertically to permit maximum views. The main street through the center of the area will have streets leading off to the clustered units and will end in cul-de-sacs.

Mr. Mills indicated that the site improvements would cost approximately \$3.6 million and the contracts will be implemented by 1978. He noted that sufficient funds to cover this work have been included in the request for the 1978 Community Development funds. The first contract will be for grading the site, constructing the main street and later in the year the cul-de-sac roads will be built. Since the plan is so flexible, it can be started in any way depending upon the response from developers.

REPORT OF KEY STAFF MEMBERS (continued)

President Wexler indicated his belief that the housing program was outstanding in Hunters Point and inquired about commercial uses in the area. Mr. Yamagita responded that this use was still under study but since housing for the elderly would be constructed in the area it would be necessary to provide at least basic services since existing commercial space is now on Third Street which is too remote for use by elderly residents. Mr. Mills noted that it was presently anticipated that approximately 10,000 square feet of commercial space would be developed in the project. President Wexler inquired about the present inconvenience caused by not having commercial uses in the area, and Mr. Mills responded that there was a serious inconvenience for residents and that the Joint Housing Committee desires to see such commercial services provided as quickly as possible. President Wexler inquired about the major cause for not getting the commercial area developed, and Mr. Mills indicated that it resulted from the lack of response from businesses and tenants. He indicated his belief that additional construction in the area would attract businesses. Mr. Lee inquired about the prices of the market-rate housing, and Mr. Yamagita replied that one of the contractors indicated that the cost would be \$25 per square foot for the units which would equal \$40,000 to \$50,000 per unit but this is still being investigated. Mr. Mills indicated that an offering is being made to solicit development proposals for market-rate units in Hunters Point and that there were two potential developers interested in the sites who had designed similar housing in the \$48,000 to \$50,000 price range. President Wexler inquired about cost information for the project, and Mr. Mills indicated he would have this for the Commissioners next week.

NEW BUSINESS

- (a) Resolution No. 208-77 approving an agreement with the Pacific Gas and Electric Company for the installation of gas and electric facilities in the Hunters Point Redevelopment Project.

Mr. Kernan indicated that this item authorizes expenditure of \$79,119 to permit the Pacific Gas and Electric Company to place major electrical and gas and electrical distribution facilities underground in Housing Site C in Hunters Point. A portion of this cost, \$30,413, will be refunded when hookups are made for the housing. The nonrefundable amount of \$51,757 will compensate PG&E for cost incurred.

ADOPTION: It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

President Wexler inquired if there was any possibility of PG&E taking on part of the costs or whether there was a provision under a State law to make money available for that work. He indicated that this construction benefited PG&E by contributing to a better, longer-lasting system, specifically through undergrounding of equipment. He suggested that perhaps the Public Utility Commission may have some money for this work and Mr. Kernan indicated that staff would investigate this issue. He indicated that the existing transmission line, owned by PG&E, is operable and is being undergrounded for aesthetic enhancement of the project area, so that a developer benefits by having his land values increased.

NEW BUSINESS (continued)

President Wexler again noted that the lines serve the area and have longer usage and are therefore of value to PG&E.

- (b) Resolution No. 209-77 ratifying and approving action of the Executive Director in soliciting bids in connection with moving of three Agency-owned structures in the Western Addition Approved Redevelopment Project Area; awarding said contract to Coast House Movers, Inc. Pacifica, California, on the basis of low bid received and authorizing execution thereof.

This represents award of a contract to the only bidder, Coast House Movers, Inc., for moving three structures in Western Addition Area A-2 at a cost of \$77,000. The buildings must be moved by December 7, 1977 in order to accommodate Nihonmachi development. The firm has previously moved other Agency structures and is experienced, bondable, and has an acceptable affirmative action program. Mr. Kernan indicated that a requirement of the Bureau of Building Inspection necessitates a statement to the effect that in the event the buildings are not moved, the Agency must agree to either demolish or rehabilitate the structures. Because of the deadline, the moving firm must start preparation work prior to actually obtaining the house moving permits. The BBI requirement is included in the resolution since it is prerequisite to obtaining the moving permit.

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 190-77 ratifying payment for special security guard services by Johnson Security Patrol, Western Addition Approved Redevelopment Project Area A-2.

This item concerns ratification of payment to Johnson Security Patrol of \$42,900 for 6,600 hours of special security services to provide a safe working environment during construction of the 52-unit Laurel Gardens because of threats and violent incidents necessitating such protection throughout the construction period from November 11, 1976 to August 16, 1977.

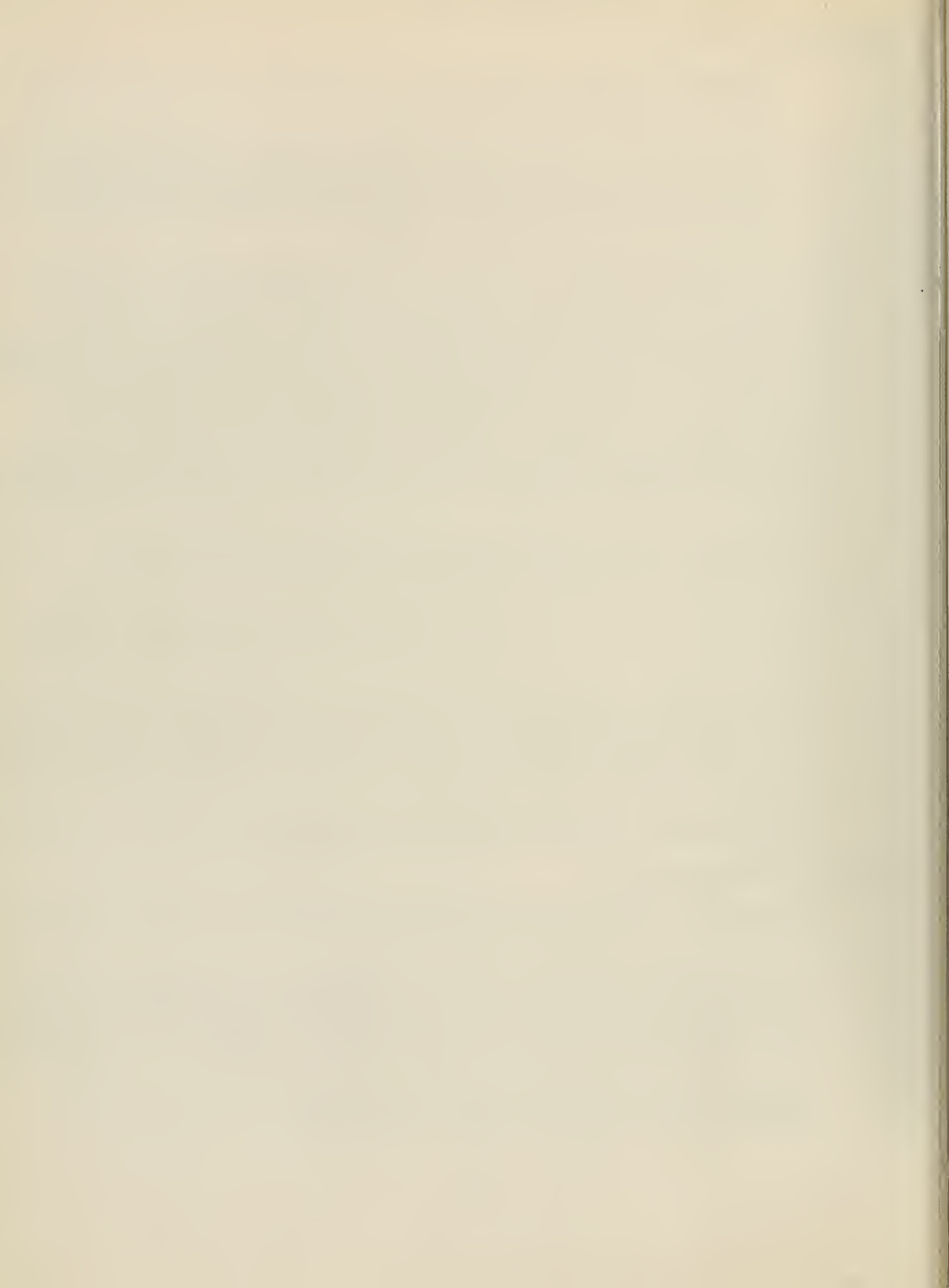
ADOPTION: It was moved by Mr. Lee, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 210-77 authorizing payment of travel and per diem expenses for candidates for Development Director position.

Mr. Kernan indicated that the staff had advertised for a Development Director and received over 100 applications which have been reviewed. Individuals have been selected and will be interviewed by the Commissioners. This is a request to pay travel and per diem expenses for two of the candidates, one from Virginia and the other from Oregon, for an amount not to exceed \$900.


ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.



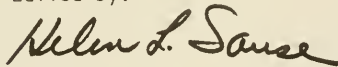
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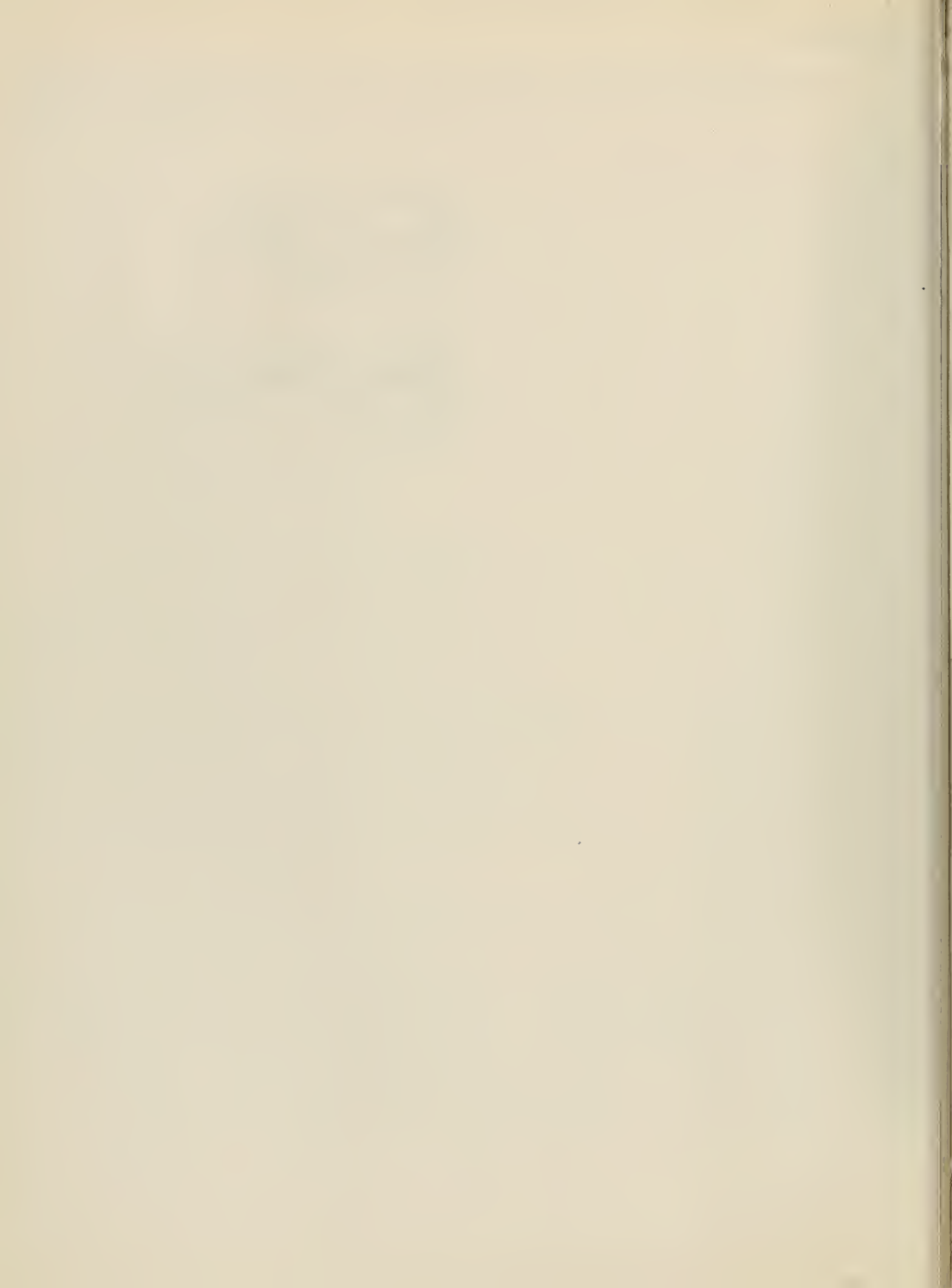
It was moved by Mr. Kaplan, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:50 p.m.

Respectfully submitted,


Elsie M. Landry
Assistant Secretary

Edited by:


Helen L. Sause
Secretary



11-77
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF OCTOBER 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of October 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Walter F. Kaplan
Melvin D. Lee

and the following was absent:

Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present:

Also present were Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); Michael Painter, Michael Painter & Associates; Paul Rosetter, Department of City Planning; Samuel B. Stewart, Sponsors of San Francisco Performing Arts Center, Inc.; Paul Hardman, The Pride Foundation; Don Knutson, Center for Homosexual Education Evaluation and Research (CHEER); Earl Moss, Victorian Alliance, and Pat Perry, San Francisco Research.

APPROVAL OF MINUTES

It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Regular Meeting of October 4, 1977, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Mr. Kaplan, and unanimously carried that the minutes of an Executive Meeting of September 27, 1977, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel H-3, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel H-3, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) In respect to the current status of services provided by the Agency to the tenants of the International Hotel, to date 38 persons have been interviewed by the Central Relocation Services staff, 22 have received the first month's rent payment through the local rent assistance program, 22 have received grants of \$50 each for replacement of household items lost in the move, and 5 have been assisted in moving to public housing. Efforts continue to contact and provide services to all tenants.
- (b) President Carter will sign the 1977 housing legislation which was discussed last week at the annual meeting of the National Association of Housing and Redevelopment Officials (NAHRO). The Administration is projecting an attitude of cooperation that has been missed in past years.
- (c) The Justin Herman Award annually presented by NAHRO was given to Albert A. Walsh, a partner in Seward and Kissel, a New York/Washington, D.C. law firm. Mr. Walsh is a former NAHRO President and early pioneer in the field of urban renewal.

NEW BUSINESS

- (a) Resolution No. 214-77 approving and authorizing the Executive Director to execute a work order to the San Francisco Department of Public Works to provide funding to the Walter Haas Playground extension contract in the Diamond Heights Redevelopment Project Area.

This item represents a work order not to exceed \$24,000 to the Department of Public Works for development of the second phase of the Walter Haas Playground in Diamond Heights to cover costs of escalation in construction since funds for the program were approved by the City two years ago. The budget plan provided for development of this additional 0.7 acres which was formerly designated for a Walter Haas Playground. The Diamond Heights Neighborhood Association requested the City to purchase this commercial parcel and expand the park. The Board of Supervisors subsequently accepted a \$100,000 gift from Mr. Haas to purchase the site from the Agency and allocated some funds for its development. Mr. Hamilton indicated that the park improvements were delayed for over two years and it is now necessary to provide additional funds to cover escalation of costs. The City has requested that the Agency provide the supplemental funds to complete the work. The City was concerned that should the Agency be unable to provide the \$24,000 requested a long delay would ensue before the park facilities could be completed.

In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the City was paying for a portion of the construction improvements, but the Agency was paying for the remainder, building it, and would have control of the design.

President Wexler inquired about the necessity for the Agency providing money for costs which escalated because the City had delayed the work, and Mr. Hamilton indicated this would be the only way to insure construction of the park.

Mr. Lindberg Low, Senior Engineer, explained that \$68,000 had been allocated by the City for the second phase of the park but the City had only \$40,000 left after construction of the first phase. The Department of Public Works staff do not believe the Board of Supervisors would make additional money available and therefore the Agency was requested to augment the budget so the work could be completed this year. Mr. Low noted that the Department of

NEW BUSINESS (continued)

Housing and Urban Development (HUD) has concurred in expenditure of the \$24,000 for this purpose so that the project could be closed out this year.

Mr. Kaplan recalled that the land had originally been designated for commercial use but the residents of Diamond Heights wanted the land for a park and since they had no way to fund its acquisition, Mr. Walter Haas donated \$100,000 to purchase it on the basis that the Agency would complete the improvements. President Wexler inquired about the basis for determining what the Agency should pay, and Mr. Low responded that at the time the park was purchased and the City set aside the funds there was no exact plan in detail as to what would be constructed. Mr. Hamilton indicated that HUD has authorized the Agency to supplement the original costs and the question is really whether the funds are from the Federal Government's Community Development or the City's ad valorem tax funding. It is recommended that Community Development funds be used because if City funds are used there will be a long delay. Mr. Kaplan compared this expenditure to construction of mini-parks.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

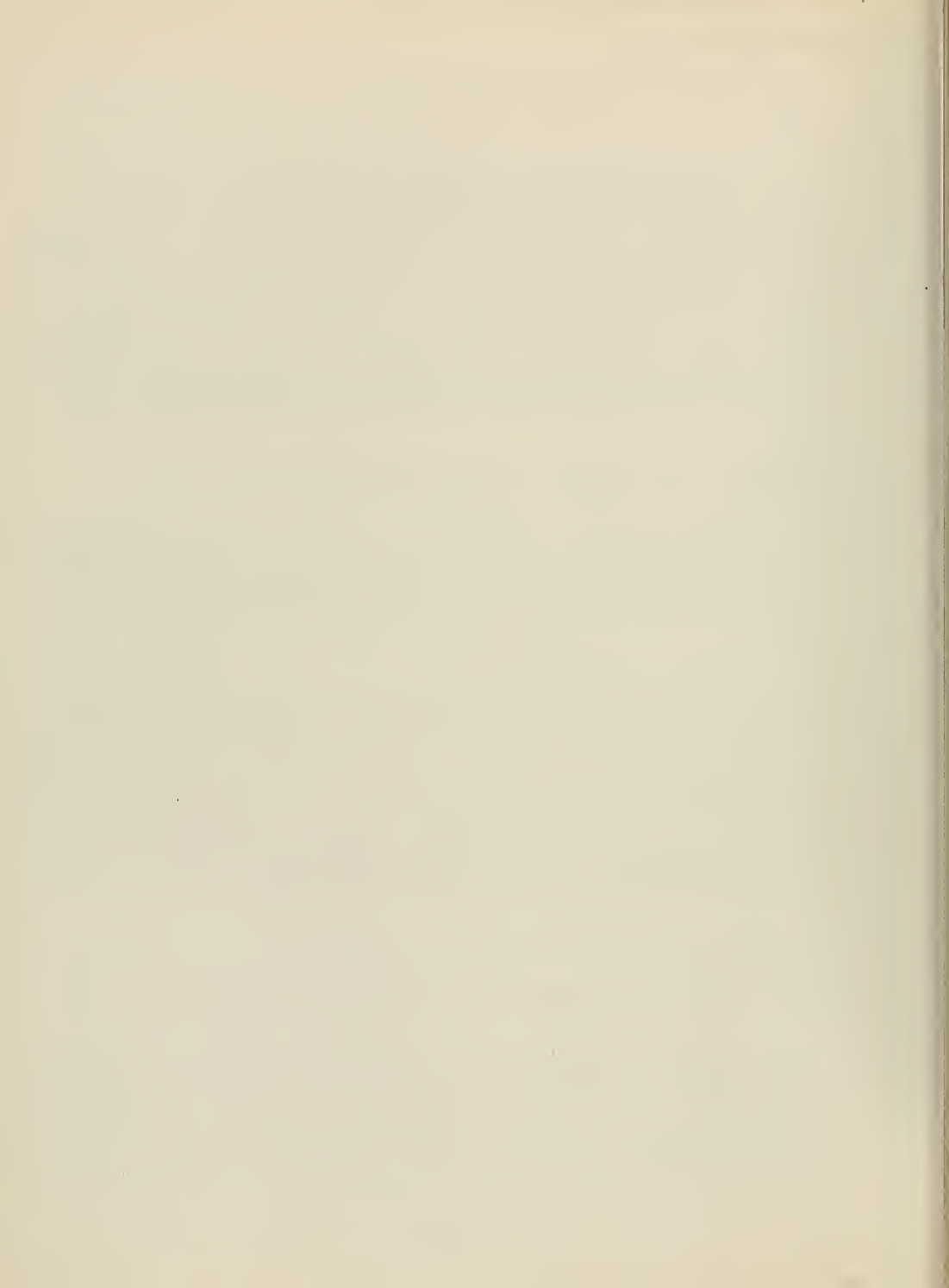
- (b) Resolution No. 211-77 approving sale of Parcel H-3 to Achille George Paladini and Joan E. Paladini, his wife, and the minimum disposal price; ratifying and confirming publication of notice of public hearing; authorizing execution of agreement for disposition and other conveyance instruments in connection with India Basin Industrial Park Approved Redevelopment Project Area.

This was the subject of the public hearing just held and concerns disposition of Parcel H-3, consisting of 36,807 square feet, in India Basin Industrial Park, to Achille George and Johan E. Paladini for \$73,615. It is proposed that a 15,000 square-foot concrete tilt-up building will be constructed to be occupied by the Paladini Seafood Corporation which is a wholesale distributor of fish. Financing evidence is due February 15, 1978. Also included in this action is payment of \$4,417 to the real estate broker, H.A. Loebenstein & Company. Ms. Blomquist inquired how Mr. Paladini had heard of the parcel, and Mr. Richard Marshall, Business Development Specialist, responded that the broker saw the Agency's sign and inquired about the site. The Paladins then decided to build in San Francisco instead of elsewhere.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 212-77 amendment to personal services contract with Michael Painter and Associates, Hunters Point Redevelopment Project.

This item concerns amendment to the contract with Michael Painter and Associates to provide a \$12,495 additional fee to reimburse the cost of design for Ridgetop Park. The fee was originally based upon a construction budget of \$600,000 but this was increased to \$750,000. Mr. Earl Mills, Deputy Executive Director for Community Services, recalled that this was the work which had been rebid when a low bid of \$1.2 million was received. Some redesign was done; however, care was taken not to delete the central elements of the park.



NEW BUSINESS (continued)

The bids were solicited once more and the lowest was \$850,000 and the contract was awarded for that amount. Mr. Mills indicated that Mr. Painter's services included monitoring the work during construction. Mr. Mills believed that based on the contract with Mr. Painter, the payment of \$12,495 is equitable based on the increase in the agreed upon construction budget of \$750,000.

Ms. Blomquist inquired if it were the responsibility of the architect to keep costs within the construction budget and Mr. Mills replied that there was some controversy on this. However, Mr. Mills indicated his belief that the consultant did have some responsibility to do so. Mr. Mills indicated that in this case the architect had performed extensive redesign work and had not billed the Agency for this work. Mr. Lee inquired if Mr. Mills recommended payment of the \$12,495 and Mr. Mills answered affirmatively noting that the consultant had submitted an itemized list of legitimate costs on which the construction budget was based.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 213-77 rejecting all bids for Site Improvement Contract No. 22, Hunters Point Redevelopment Project.

Mr. Hamilton indicated that this item concerned rejection of the only bid received for construction of building and landscape improvements for the Galvez Playfield in Hunters Point. The architect's estimate was \$490,763 and the bid was \$776,839, and although nineteen contractors requested bid documents only one, De Narde Construction Company, submitted a bid which was in an amount significantly over the engineer's estimates; therefore, rejection was recommended.

Staff in attempting to determine why only one bid was submitted concluded that contractors were uninterested in the building portion of the contract which comprises 30 percent; therefore, it was decided that the work should be separated into two contracts which should attract more bidders. Ms. Blomquist inquired who the architect was, and Mr. Mills responded that it was Mr. Richard Schadt.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

- (e) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 71, Western Addition Approved Redevelopment Project Area A-2.

This concerns authorization to advertise for bids for Demolition and Site Clearance Contract No. 71 in the Western Addition Area A-2 to demolish four buildings on the site proposed for the Performing Arts Center (PAC) garage. The site now needs to be cleared to meet scheduled construction for the garage in January, 1978. Consideration of demolition had previously been delayed pending assurances that the PAC sponsors had obtained funds to proceed with the Center, and now that those funds are assured authorization is requested to advertise for bids.

Mr. Hamilton noted that there were many individuals present who would like to speak on this matter and indicated that there would first be a staff presentation by Mr. Redmond F. Kernan, Deputy Director for Planning & Development, after which he suggested public testimony would be taken; then he would comment.

Mr. Kernan came forward and indicated that as part of the deliberations regarding the proposed demolition of the existing structures along the north side of Grove the Commissioners had requested staff to provide an analysis of the following questions:

NEW BUSINESS (continued)

1. Is the financing method to be utilized for the Performing Arts Center and the parking garage exempt from the voter approval requirement of Proposition P which was approved last November?
2. What is the historical background of the Agency and its commitment, expressed or implied, to provide a site for the Performing Arts Center Parking Garage?
3. Are there any other sites which were considered for utilization for the parking garage, either Agency-owned or others?

Mr. Kernan indicated the response to these questions as follows:

- a. In connection with the effects of Proposition P on the financing method, the electorate in November 1976 approved Proposition P which requires that revenue bond issues for construction of public improvements be submitted to the electorate for approval; however, voter approval is not required if:
 - (1) In the case of general revenue bonds issued by the City, if the bonds were approved by the Board of Supervisors prior to January 1, 1977; of,
 - (2) In the case of lease financing agreements, where an independent entity issues its own bonds and leases the improvements to the City, if the agreement was approved by the Board prior to April 1, 1977.

The Performing Arts Center Parking Garage falls into the latter category in that, by Resolution 190-77, the Board of Supervisors approved the Parking Authority's lease finance arrangement on March 14, 1977, and the resolution was signed by the Mayor on March 25, 1977, thereby meeting the requirements of the grace period.

- b. In connection with the historical background of the Agency's commitment, Mr. Kernan indicated that in the mid-1960's, Assessor's Blocks 785 and 792, between Franklin Street and the Central Freeway, were identified by the Department of City Planning as the most appropriate site for the War Memorial Annex, including off-street parking, as shown in the Civic Center Master Plan adopted by the Planning Commission in 1959. This designation is reflected in the Western Addition A-2 Redevelopment Plan. A bond issue for the development of the War Memorial Annex was defeated by the electorate in 1965. Subsequently, it was determined by the sponsor of the San Francisco Performing Arts Center, Inc. that the site west of Franklin Street was too small and discussions were held regarding the site bounded by Fulton, Larkin, Grove, and Hyde, which was also sought by the Public Library for its eventual new home. However, the Board of Supervisors were intent upon keeping the Performing Arts Center addition to the western portion of Civic Center, and in its Resolution 768-67 adopted November 27, 1967 stated its intention to acquire all of Assessor's Blocks 785 and 792 east of the Central Freeway for the express purpose of expanding the cultural center. Finally in December 1974 the block to the south of the Opera House, Assessor's Block 810, was agreed upon and the necessary agreements between the City and the San Francisco Unified School District were negotiated.

In 1975 the sponsor agreed to relinquish any claim to Assessor's Block 785 to permit expansion of the California State Bar headquarters but retained its interest in Assessor's Block 792 between Fulton and Grove Streets, pending

NEW BUSINESS (continued)

resolution of plans for the development of Assessor's Block 810. Plans initially provided for off-street parking on the west side of Assessor's Block 810. The sponsor determined in March 1976 that costs precluded full underground parking and above-ground parking would preclude a fully satisfactory facility on that site. It was at this point that the sponsor and the Agency's staff, with the concurrence of the Mayor's Office, agreed that the portion of Assessor's Block 792, fronting on Grove Street was the most appropriate location for the proposed parking garage.

- c. In connection with the question of alternate sites, Mr. Kernan indicated that since late spring of 1976 the sponsor and Agency have not actively considered any alternate sites for the proposed parking garage. Seven sites, however, have been identified within reasonable proximity to the proposed Performing Arts Center and these sites are considered individually with respect to their utilization as parking garage sites.

Mr. Thomas Conrad, Chief of Planning, Housing and Programming, identified the sites on the wall maps and noted the square footage of each. Mr. Kernan indicated that staff evaluations of the alternate sites as well as those that appeared in the Environmental Impact Report (EIR), indicated that no alternate site was as appropriate as the parcel presently proposed.

Ms. Blomquist inquired if the garage had to be within the redevelopment area, and Mr. Kernan answered negatively, noting that the Agency had assured PAC Block 792 would be reserved for construction of the parking garage. Ms. Blomquist suggested that the Pacific Trade Center site be considered since it was already cleared and Mr. Kernan replied that it was determined to be too far away. In addition, the PAC facility would require only half a block and it was not deemed prudent to compromise the entire block for that facility nor to use frontage on Van Ness Avenue for such a purpose. He noted that an adjacent cleared site is owned by the State of California and acquisition of it would have to be negotiated with the State. Also, according to the EIR, this site is smaller than that needed by the PAC.

Mr. Kernan, in reply to President Wexler's question, indicated that the garage was needed because of the expansion of the concert hall to accommodate 3,000 seats with rehearsal hall. Mr. Kernan noted that the demand for parking spaces is in excess of the number to be provided. President Wexler indicated that the EIR analysis reflects that the Civic Center garage accommodates 855 cars and for an average evening there are only 460 stalls in use, which leaves 400 spaces, and the self-park garage has 90 spaces also available adjacent to the Center, so 490 spaces appear to be available without construction of a garage.

Mr. Kernan indicated that staff had not done a formal review of the parking needs but it was his personal experience that parking was difficult to find in the area if the Opera House, Veterans War Memorial and the Civic Auditorium were in use at the same time. He believed that the addition of 3,000 seats was a significant number which would create a parking demand in excess of present facilities although there was no independent analysis available on the issue.

Ms. Shelley inquired to what extent staff had considered the need for housing and also the rationale behind the proposed use of a site which has 70 units of housing for a parking garage as against the cleared Pacific Trade Center site. Mr. Kernan indicated that the Agency had not done the initial evaluation but had been attempting to fulfill a commitment to provide the site. This commitment had been made by resolution of the Board of Supervisors and understood by previous Commissioners. He noted that if PAC had to use another site it would require extensive replanning since the

NEW BUSINESS (continued)

design for a garage on Block 792 is complete. He indicated that in regard to placing the garage on Block 767, the Agency could not guarantee delivery of this site since the State controls the site and wants to build an office building on it and the Agency cannot exercise the right of eminent domain over another State Agency.

Ms. Blomquist asked what resolution was being referred to, and Mr. Kernan indicated it was a Board of Supervisors' action.

In response Mr. Kaplan inquired as to why the original site was not considered. Mr. Kernan indicated that portions of Block 785 and 792 were reserved for the PAC but subsequently it was decided to dispose of it to the State Bar and the PAC agreed to accept the substitution of Block 792. Mr. Kaplan indicated this site had not been presented to the Commissioners and Mr. Kernan concurred noting that it was understood by the Board of Supervisors and PAC that the site was shifted from 785 to 792.

President Wexler indicated his interest in seeing any resolutions of the Agency relative to granting the PAC any development rights on the garage. Mr. Kernan indicated that there were no resolutions, only a reservation of the site in the Redevelopment Plan. Mr. Kaplan indicated there was never a commitment granted to anyone on the site but noted that the location had seemed to be good for public use and was set aside for that purpose. Mr. Kernan noted that since the use was understood to be a quasi-public activity there had been no urgency in designating the redeveloper until it was ascertained if the PAC could proceed. President Wexler inquired if there was anything in the minutes which recommended that the garage go on a particular location, and Mr. Kernan replied negatively indicating, however, that demolition of the structures on the site was considered by the Commissioners one year ago. At that time the proposed demolition was held over in abeyance pending the PAC's achievement of its funding goals so the project could proceed. It was Mr. Kernan's understanding that PAC now has the funds and requires the site by January, 1978. President Wexler noted there appeared to be nothing to support a commitment to the PAC and indicated that there were two different issues involved, one being the moral or legal commitment of the Agency, and the other was that of looking into the basic question of the need for a garage. He also noted that the question of housing had to be considered as well as the concern about reversing previous commitments to developers so as not to discourage anyone from relying on Agency actions in the past. In response to President Wexler's inquiry, Mr. Kernan noted that the only resolution pertaining to the site had been enacted by the Board of Supervisors to exempt the project from those affected by Proposition P. Mr. Kernan noted that designation of the site is not within the purview of the Board of Supervisors.

Ms. Blomquist expressed concern about demolishing housing and suggested that there be no further consideration of proposed demolition.

In response to Mr. Kaplan's inquiry, Mr. Kernan indicated that the original PAC site was given up and the land developed by the State Bar because it was a more suitable location. Mr. Kaplan indicated his belief that the Commissioners had been told at that time that the garage had been abandoned, and Mr. Kernan indicated that he had not heard that but had been consistently told the garage would go forward.

Ms. Shelley expressed concern about a commitment on the site and indicated that she was just hearing about it for the first time. She questioned the

NEW BUSINESS (continued)

advisability of demolishing 70 units of housing and also inquired whether the units had been stripped by the Agency. She also suggested that staff consider use of areas available which would remove fewer housing units. She indicated that the EIR had been received last Thursday and required more time to assimilate. Until she had had an opportunity to evaluate this issue, she did not believe she could act on the matter. Mr. Kernan indicated that the presentation was given to outline the history of the matter and staff had not indicated action had to be taken today.

President Wexler inquired how many people wished to be heard on the matter, and Samuel Stewart of the S.F. Performing Arts Center, Inc.; Paul Hardman of the Pride Foundation; Earl Moss of the Victorian Alliance; Don Knutson of The Center for Homosexual Education Evaluation and Research (CHEER); Pat Perry of San Francisco Research; and Mary Rogers of WAPAC indicated their desire to speak. President Wexler requested Mr. Stewart to commence his presentation.

Mr. Samuel Stewart of the San Francisco Performing Arts Center, Inc. came forward and indicated that he had been requested to come to the meeting by Mr. Hamilton to bring the Commissioners up to date on the status of the PAC development and its fund raising. He indicated that Mr. Kaplan was correct in that originally the location of the garage was to occupy the entire two blocks north of Grove Street adjacent to the freeway. This location was subsequently to accommodate developmental changes and proposals of the Board of Supervisors, The Art Commission, the Public Library and the architectural considerations of esthetics. PAC has considered the wishes of all these groups and the location has now been agreed upon. Plans have been prepared for the addition to the concert hall and the garage based upon the sites that were reserved for those uses. Mr. Stewart indicated he had had conversations with former director Arthur F. Evans and had attended many meetings with him to discuss the development. The final decision to locate the garage on the site under discussion was made over two years ago when it was determined that the former Commerce High School playfield which is presently a parking lot was requested for the PAC facilities. Mr. Stewart explained that the buildings on the site were vacant and that he had been informed that they were unsuitable for human habitation. The parcel in Block 762 is the best location for the garage and the facility proposed will accommodate 600 parking spaces. This will offset the loss of 400 parking spaces, 50 behind the Opera House, and 350 in the parking lot when construction of the 3,000 seat concert hall is completed. Mr. Stewart believed there should have been spaces for 1,400 cars, but the Planning Commission objected to this and the number was reduced to 600. Mr. Stewart indicated that based on reliance on understandings with Agency staff that the land was available for public parking purposes and the PAC had already spent \$2 million on design work. He indicated that construction could commence within sixty days. The concert hall of 3,000 seats will occupy most of the block and the working drawings are 75 percent completed. The architect will complete them by the end of the month and the contract put out to bid. PAC has raised \$27 million in funding in both private and public money.

Mr. Stewart indicated that the funds were available for the project not including the garage which is to be financed by revenue bonds and handled by the Parking Authority. He indicated that there could be underground parking but PAC was advised by the City that on this site there was an underground spring and it would be both unstable and expensive to underground the parking. The cost would be about \$25,000 per space which was out of the question. Mr. Stewart indicated that PAC was within a small amount of being ready to pay for basic construction costs for the concert hall and its recommendation will be given to

NEW BUSINESS (continued)

the Board of Supervisors by the end of the month. Mr. Stewart indicated PAC had the money, had devoted years of effort to the development, and is now ready to proceed.

President Wexler indicated that Mr. Stewart had reported there would be a loss of 400 parking spaces and an addition of 600 for a gain of 200, and inquired if Mr. Stewart had had an opportunity to review the EIR. Mr. Stewart replied that he had not since its consideration by the Planning Committee. President Wexler indicated that the EIR stated that the Civic Center garage which is within a short distance of the proposed development has 400 vacant spaces on an average evening during Opera House performances. Another garage has an average of 90 vacant spaces, totaling 490 in the area not now being used. If those figures are correct, President Wexler inquired if Mr. Stewart believed there was a need for additional parking facilities. Mr. Stewart indicated he could not comment on the correctness of the figures, but that when Brooks Hall, the Opera House, and the War Memorial have activities during the same evening there would be a shortage of spaces. Mr. Stewart indicated he had strongly urged the Board of Supervisors to permit PAC to locate the new concert hall on Marshall Square where parking is better, however the Public Library requested reservation of that site for its use. President Wexler indicated that the parking garage was the only item at issue and inquired should the parking garage not go forward what kind of impact this would have on the PAC development. Mr. Stewart replied that it would have a serious affect on completing the fund raising since most donors inquired about the provision of parking. In reply to Mr. Glickman's question, Mr. Stewart indicated he had about \$2 million more to raise and has about \$27- to \$29 million now to cover basic construction costs.

Mr. Glickman inquired if there was any other way the project would be affected. and Mr. Stewart responded that the lack of parking facilities would seriously affect the operation of the facility after it is built since people do not tolerate inconveniences when paying for expensive entertainment. As it is the concert hall would attract a cross-section of people but if there were no parking the tenants of the Opera House would be deprived of income.

President Wexler inquired if the housing units could be rehabilitated would that change Mr. Stewart's thoughts on whether he would want a parking garage on the site or not, and Mr. Stewart responded that this was a question which he could not answer but he believed that the buildings were obsolete and suggested that money could be better spent in building new and better units in a more suitable location for housing. Ms. Blomquist indicated that although the buildings are damaged they have large comfortable spaces within. President Wexler thanked Mr. Stewart for his comments.

Mr. Paul Hardman of the Pride Foundation came forward and indicated that he had rehabilitated many buildings and had expertise on ascertaining the value of the buildings. He indicated that the Foundation was interested in retaining these buildings on the site to serve people through its many programs. He noted that city records indicated that the Fifth and Mission garage was 95 percent empty and that garage owners in the area are aware of many parking vacancies and all parking could be provided in existing facilities. He alleged that the statistics Mr. Stewart was using were incomplete and also that the PAC's money was still in pledge form not cash. He suggested that people park at the Fifth and Mission garage and take public transportation and he believed that the buildings were good and could be used for low-rent housing. Mr. Hardman noted that in the meantime 330 Grove is being used by the Pride Foundation rent-free for social

NEW BUSINESS (continued)

service work. He indicated that improvements had been made to the buildings by the Foundation which included a sprinkler system which would have cost \$350,000 but was done with free labor for \$7,000, and an auditorium theater. In his opinion the building was usable and everything should be done to put the garage someplace else, such as the location where Fulton Street was dead-ended. In response to Ms. Shelley's inquiry about the Fulton Street location, Mr. Hardman indicated it dead-ended at the back of the Opera House, where there is vacant land, a parking lot under the freeway, and no buildings. He asked that no housing be torn down. Mr. Glickman inquired how many square feet Pride Foundation occupied, and Mr. Hardman replied it was the whole building of approximately 40,000 square feet.

President Wexler indicated his understanding there was an agreement with Pride Foundation assuring the Agency Pride would vacate the premises when it became necessary to do so, and Mr. Hardman indicated agreement. Mr. Glickman asked if there were any residential use of the building occupied by the Pride Foundation and Mr. Hardman replied negatively indicating it was a commercial structure. Mr. Lee inquired if the building were up to code and Mr. Hardman answered negatively noting it had been brought up to safety standards, since there was still some additional work to be done.

Mr. Don Knutson of the Center for Homosexual Education Evaluation and Research (CHEER) came forward and indicated that his organization was servicing the gay community by offering free legal services. He requested that the building not be demolished.

Pat Cary of the San Francisco Research came forward and indicated that there were many organizations in the building serving the homosexual community and urged that even though none of the organizations pay rent, the building should be saved for their use.

Ms. Shelley inquired about the status of the Pride Foundation if the building were to be retained and Mr. Hamilton responded that there would be both short- and long-term changes. While the Pride Foundation could continue to occupy the building rent-free for a short time, the Agency would be obligated to offer the building for sale and it is presumed a developer could not make free space available to community-type organizations. At this point, Mr. Kaplan left the meeting at 5:55 p.m.

Mr. Glickman inquired if disposition of the property was because the Agency could not maintain a tenant-landlord relationship over a long period of time and Mr. Hamilton agreed noting that the property would have to be disposed of and returned to the tax rolls as soon as possible.

Mr. Stewart came forward and indicated although Mr. Hardman's comment was partially true since the PAC's cash collection was only between \$4- and \$5 million this was because the PAC has sought installment pledges to be spread over a period of four to five years for a total of \$27 million. These are legal pledges and as good as cash as evidenced by the banks' willingness to use the pledges as collateral. In reference to Mr. Hardman's idea of building the garage at the end of Fulton Street, Mr. Stewart explained that PAC had also investigated this possibility but the Art Commission had disapproved the concept because it would block the view of the City Hall from Fulton Street.

Mr. Earl Moss of the Victorian Alliance came forward and expressed the belief that the older buildings should be preserved and noted that his group was supporting restoration of buildings. He believed these buildings were

NEW BUSINESS (continued)

architecturally interesting and were similar to those in Jackson Square of architectural quality. He cited other buildings in the city that his group had been instrumental in saving.

At this point Mr. Kaplan returned to the meeting at 6 p.m.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated that she would like to see the buildings saved since she opposed demolition of homes. She indicated that the people with cars did not live in the city and urged the Agency to adhere to the moratorium on demolition. She urged that the Agency and WAPAC study the Redevelopment Plan to evaluate the completion of the renewal process in A-2. She also urged people to use public transportation. In her opinion the buildings were structurally sound and urged that these 70 units be preserved. Mr. Glickman asked if she had inspected the buildings inside, and she answered negatively. Mr. Glickman believed the buildings should be made available for inspection by the Commissioners and WAPAC and Mr. Lee concurred. Mrs. Rogers also urged that people not be moved until the Agency was ready to dispose of the structures because that was an invitation for people to strip vacant buildings. President Wexler inquired if the Agency wished to retain the buildings would it be necessary to go before the Board of Supervisors to amend the Western Addition Redevelopment Plan, and Mr. Hamilton answered negatively.

Mr. Hamilton indicated that the matter of these buildings and that of the parking garage was brought to the attention of the Commissioners because it was timely to do so because of the PAC's schedule and noted that the staff had proceeded on the basis of policy directions from previous Commissioners, either implied or stated. Mr. Hamilton indicated that the issues needed to be separated. He indicated that although the Pride Foundation appeared to be a worthy organization this was not an issue for consideration. He pointed out that the Pride Foundation was aware that when the Agency determines it needs the property it is to vacate the premises. The issue of housing is a separate and difficult issue and stressed that the Agency had a sincere and abiding concern about preserving such housing whenever possible. On this site there is a conflict of interest that needs to be reconciled. Mr. Hamilton indicated that no formal action or designation had been made by the Agency but the record makes it abundantly clear that PAC was given sufficient assurances by the Agency's Executive Director, the Mayor, City Attorney's Office, Capitol Improvement Committee, and the Parking Authority to proceed with its fund-raising campaign and design. Mr. Hamilton suggested that the Commissioners see the buildings and walk the district and an analysis on the need for the parking garage sites would also be provided. He indicated support for WAPAC's stand on housing, however if it is found that there is a need for a garage then urged that the Agency honor its assurances to PAC.

Mr. Glickman indicated that it appeared the item was only for consideration and exploration of studies and that the commitments made by the Agency by former executive directors many years ago were meant to be kept, however these were not legal commitments and times have changed. He indicated that the new philosophy was to save housing and at that time years ago it was to demolish buildings. He believed that so long as the commitments were not legal, then they should be re-examined. Mr. Glickman also believed that if the needs of the community were to be respected, then nonprofit organizations which provide services to the community should also be encouraged. He indicated his desire to retain the building

NEW BUSINESS (continued)

the Pride Foundation was utilizing, if the housing in the area were to be retained.

Ms. Blomquist noted that the freeway also blocked the view of the City Hall on Fulton Street and asked Mr. Stewart the Art Commission's position. He noted the Commission did not approve of it and believed the view was important to save and therefore was against closing Fulton Street. Ms. Blomquist commented that it appeared to be more important to preserve a view than to save housing.

President Wexler indicated the Commissioners' belief that the PAC and Opera House extension and Symphony Hall were valuable additions to the city but noted the only question before the Commissioners was whether a parking garage at this location was in the best interests of the city and Western Addition community. He wished to have additional information discussed in order that the Commissioners could decide whether the garage was essential or if it were necessary to demolish the housing. President Wexler indicated his belief that the Civic Center was beautiful but lacked mixed uses, thus producing a deadening effect on property around it, and he was concerned the garage would extend this further.

Mr. Kaplan requested a copy of the feasibility report on the garage. Mr. Glickman indicated that he would also like to have information on the feasibility of renovating the housing units. He indicated he was not necessarily opposing the PAC plans but wanted to weigh all considerations. Mr. Hamilton commented on Mr. Glickman's support of the Pride Foundation's program and noted that the Agency received many requests from worthy community organizations for rent-free space in Agency-owned buildings and stressed that there had been many requests such as the Sickle Cell Anemia Foundation which predated the Pride Foundation's use of the building by years. He also noted that in response to Mr. Glickman's indication that the Agency's philosophy had changed over a long period the commitment to the PAC had been made a year ago. Mr. Glickman noted that philosophies can also change in a short time. Mrs. Rogers indicated that the Agency had a commitment from 1969 to provide housing and that the Redevelopment Plan needed evaluation to see where the project was heading.

Mr. Stewart came forward and indicated that with regard to alternate sites, he was not against housing but suggested that some investigation be made to see if there were not better alternatives for providing housing than the buildings in question. He indicated that there had been reliance on commitments made in the past and that people who had donated money to the PAC development had also relied upon these. He indicated there were 750,000 persons attending the Opera House a year and many had donated because these facilities were a part of San Francisco. He indicated San Francisco had the second best opera in the country, as well as an excellent ballet and symphony, but present facilities were inadequate; thus, if the garage were not provided, it would make the facilities less usable.

Mr. Hamilton indicated the issues raised would be examined, additional information provided as requested, and a decision could then be made.

MOTION: It was moved by Mr. Glickman and seconded by Ms. Shelley that after staff has provided the Commissioners with information supporting the need for the PAC garage and has made the buildings available for inspection that the consideration of authorization to advertise Demolition and Site Clearance Contract No. 71, Western Addition Project Area A-2, be rescheduled, and on roll call the following voted "Aye":

NEW BUSINESS (continued)

Ms. Shelley
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

Ms. Blomquist
Mr. Kaplan

The Chairman thereupon declared that the motion carried.

Mr. Kaplan indicated that he had abstained because of remarks made referring to the Fifth and Mission Garage of which he was the President, and Ms. Blomquist indicated she had abstained because she believed she had sufficient information to make a decision and that she was totally against demolition of housing.

President Wexler thanked all the speakers for their comments and indicated they would be notified when the matter was again calendared.

ADJOURNMENT

It was moved by Mr. Kaplan, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF OCTOBER 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of October 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Walter F. Kaplan
Melvin D. Lee

and the following were absent:

Rubin Glickman
Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Benny Stewart, and Gene Stancil, Western Addition Project Area Committee (WAPAC); Gene Farber, Attorney-at-Law, Martha Senger, Susan Bierman, and Irwin Mussen, representing the Goodman Group; Mickey Imura, Ellen Griffith, Brian Spears, and Randall Paggett, representing Citizens Against Nihonmachi Evictions (CANE) and the Coalition to Support Nihonmachi Tenants; and Mervyn Goodman and David Bowler, interested citizens.

Representing the press were Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of an Executive Meeting of October 4, 1977, as distributed by mail to the Commissioners, be approved. It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that the minutes of an Executive Meeting of October 8, 1977, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the minutes of an Executive Meeting of October 11, 1977, as distributed by mail to the Commissioners, be approved. It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that the minutes of a Regular Meeting of October 11, 1977, as corrected and as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) A bid opening was held on project loan notes for the India Basin Industrial Park and the successful bidder was Banker's Trust Company for \$7,515,000 at 3.53 percent interest rate, replacing notes of \$9,315,000 at 2.92 percent. There were nine bidders and interest rates ranged from 3.53 to 3.89 percent. The decrease results from repayment of grant funds and land disposition proceeds.
- (b) Mr. Hamilton indicated that in connection with the relocation of the International Hotel tenants, to date 40 persons have been interviewed by the Central Relocation Services staff and efforts continue to contact and provide services to all tenants. Also, 22 persons have received the first month's rent payment through the local rent assistance program for a total amount of \$1,839; 22 persons have received grants of \$50 or more each for replacement of household items lost in the move; 7 individuals have received the first month's rent payment through the special circumstance unit of the SSI Program; and 5 have moved to public housing. The Agency will continue to explore additional housing resources for the tenants and will keep the Commissioners advised on the matter.

NEW BUSINESS

- (a) Resolution No. 195-77 approving sale of Parcel A-4 to William Sanchez, Susan Anne Sanchez, Dennis F. Sanchez, and the minimum disposition price; ratifying and confirming publication of notice of public hearing; authorizing execution of agreement for disposition and other conveyance instruments in connection therewith, India Basin Industrial Park Approved Redevelopment Project Area.

This item was the subject of a public hearing and was held over at the request of the developer. It concerns disposition of Parcel A-4, consisting of 35,123 square feet at the southwest corner of Cargo Way and Mendell Streets in India Basin Industrial Park, for \$61,465, or \$1.75 per square foot, to William Sanchez, doing business as Western Boiler Controls. The company will construct a 12,000-square-foot tilt-up building to carry on its ship repair operations. It plans to hire seven additional employees to the present nine and will work with the community on hiring qualified workers. Evidence of financing is to be submitted by December 15, 1977, and construction will take six months after final approvals. Ms. Blomquist inquired how the company had heard of the site, and Mr. Richard Marshall, Business Development Specialist, responded that the purchaser had inquired about the availability of land after seeing the project sign.

ADOPTION: It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 215-77 approving the expenditure of funds for printing of an appeal brief, Hunters Point Approved Redevelopment Project Area.

This concerns ratification of an expenditure of \$1,274.81 to Sorg Printing Company for printing the Agency's opening brief in a construction lawsuit for Site 2 in Hunters Point. Since these printing costs exceed the \$1,000 purchasing authority limit, the item is brought to the Commissioners for approval.

ADOPTION: It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (c) Resolution No. 216-77 awarding purchase order to Takashi Shirakura & Associates for remodeling of office space in the central office of the San Francisco Redevelopment Agency.

This requests authorization for execution of a purchase order to the lowest of four bidders, Takashi Shirakura & Associates, for \$2,680 to build partitions in the second floor lobby area of the Agency's central office. This remodeling will provide an additional 760 square feet of office space. If the work were done by outside contractors the total cost would have been approximately \$4,700. In response to President Wexler's inquiry, Mr. Hamilton noted that this addition would not affect the rent which the Agency is presently paying to the Bay Area Pollution Control District. Mr. Hamilton indicated that discussions would be taking place shortly with the District regarding the question of lease renewal and he noted that the rent is now based upon the entire floor, including the lobby.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

- (d) Consideration of proposals for office public liability insurance.

This concerns the placement of the Agency's office public liability insurance policy through Mr. Roosevelt Carrie, the only broker of eleven solicited for proposals who responded. The insurance will be placed with the Great Southwest Fire Insurance Company with coverage to protect the Commissioners and central office staff against such exposures as false arrest, slander, and other related matters, at a yearly premium of \$2,430.

MOTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that public liability insurance for the Agency's Commissioners and central office staff be placed with the broker, Mr. Roosevelt Carrie, with coverage carried by the Great Southwest Fire Insurance Company at an annual premium of \$2,430.

- (e) Resolution No. 217-77 authorizing the Executive Director to enter into owner participation agreements with certain property owners in Western Addition Approved Redevelopment Project Area A-2, Block 683, Lot 17, and Block 1126, Lot 11.

This item concerns execution of two owner participation agreements for owners to renovate their respective structures which were both built in 1900. The first building owned by Joseph D. and Nancy L. Tooker is located at 1700-06 Steiner Street and is a three-story, with six apartments, to be rehabilitated at a cost of \$85,300. The other structure owned by Clifford L. Lane is located at 1942-46 Eddy Street and is also three stories with five apartments which is to be rehabilitated at a cost of \$84,500. Both owners will utilize the Section 312 rehabilitation loans.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 218-77 approving and authorizing the Executive Director to execute a work order to the San Francisco Department of Public Works for design and construction of traffic signals at three intersections in the Western Addition A-2 project area.

NEW BUSINESS (continued)

This represents a work order to the Department of Public Works for \$102,000 to provide signals at three of ten intersections in the Western Addition A-2 area, located at Franklin and Fulton, Fulton and Eddy, and Eddy and Laguna Streets. Mr. Hamilton indicated that placement was based upon an analysis of areas which appeared to involve the greatest need, and the remaining seven intersections will be improved when additional funds are made available. The estimated cost of signals at these three intersections will be \$75,000 for construction, \$7,500 for contingencies, \$12,500 for engineering, and \$7,000 for inspection, for a total of \$102,000. President Wexler inquired if the Western Addition Project Area Committee (WAPAC) had been apprised of the selection of these three locations, and Mr. Gene Suttle, Area Director for Western Addition A-2, answered affirmatively.

Mrs. Mary Rogers of WAPAC came forward and indicated that WAPAC had requested that traffic signals be installed ever since 1969 and expressed concern because she believed that signals were needed at Eddy and Webster and Eddy and Laguna Streets. Mr. Suttle indicated that work had already commenced at Eddy and Webster Streets. President Wexler indicated limited funds prevented proceeding with signalization at additional intersections, and Mrs. Rogers indicated that WAPAC supported the expenditure.

ADOPTION: It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (g) Action on the request of the Goodman Group, Inc. for rehearing of the designation of developer for Parcel 714-11, Goodman Building, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that a request for a rehearing on the designation of the developer had been presented to the Commissioners by the Goodman Group. Staff has reviewed all submissions of the Goodman Group since the July 5, 1977 request and has found no basis for recommending such rehearing. Mr. Hamilton briefly recalled the long history of efforts to dispose of the Goodman Building, dating back to October 1973. He stressed that staff has made every effort to assist and provide an opportunity for the Goodman Group to perform as a developer, and as late as January 5, 1977 they were encouraged to make a new proposal, after the Marquis Report had been published a month before. In February 1977 the attorney for the Goodman Group updated its 1976 proposal, but after review by the Agency staff the proposal was found to be insubstantial and conditional. Then on March 15, 1977 public offers were invited and on May 16, 1977 two proposals were received but there were none from either Mr. Mervyn Goodman or the Goodman Group. A public hearing was held on July 5, 1977 and Mr. Alan Wofsy was designated as developer of the Goodman Building, who would undertake its rehabilitation.

It was at the meeting of July 5, 1977 that Mrs. Martha Senger, representing the Goodman Group, indicated that she had been given insufficient notice of the proposed action and that she had had no time to submit certain information which should have been made available to the Commissioners before they considered naming Mr. Wofsy as a developer. Mr. Hamilton indicated that it was upon this question as to whether the information which might have been made available would have had an influence on the Commissioners' determination of a developer that consideration of a request for a rehearing was predicated.

NEW BUSINESS (continued)

He reiterated that it was the opinion of staff that there was no basis for a rehearing on the designation of the developer.

In response to President Wexler's inquiry, Mr. Mervyn Goodman confirmed that he had made a request to speak on a subject related to the matter but that he was present primarily as an observer. President Wexler requested identification of the spokesperson for the Goodman Group, and Mr. Gene Farber, attorney, indicated he would speak in the absence of his law partner, Mr. Henry Kroneberger, who had intended to be present.

President Wexler indicated that at the public meeting of July 5, 1977, there was a question raised as to the adequacy of notice to the Goodman Group and there appeared to be some difference of opinion on how notice was given. Commissioners believed that in fairness the Goodman Group should have an opportunity to submit in writing any materials that would have been presented at that meeting, if it would have had longer notice. This was done, and President Wexler indicated that the staff and Commissioners had reviewed the materials and had failed to find any basis for reconsidering the designation of the developer. President Wexler requested that Mr. Farber indicate what in those written materials contained something that would permit the Commissioners to reach a different decision if these facts had been available on July 5, 1977.

Mr. Gene Farber indicated that written materials alone could not present a complete view of the Goodman Group's proposal and urged the Commissioners to permit the presentation of oral arguments, because in his opinion the submission of documents without the benefit of persuasive comments was inadequate. He alleged that the Group is being effectively denied the right to take full part in the decision-making process. President Wexler asked Mr. Farber if he were at the July 5 meeting, and, if so, was there anything he could point to which responded to the Commissioners' request for information which would justify reconsideration. Mr. Farber indicated that he was disadvantaged by submitting documents after a decision had been made which tended to rob those submissions of their full force and effect contrary to the situation that would exist if these had been submitted with the original decision.

President Wexler again noted that the only issue before the Commissioners was the question of whether to reconsider the developer designation, and this depended upon the question of whether there were materials the Goodman Group was unable to present on July 5, 1977 because of an alleged lack of sufficient notice. In that light, President Wexler again questioned Mr. Farber as to whether there was any new information in the written back-up submissions of July 15, August 31, and September 13, 1977 that would indicate the Goodman Group had been prejudiced by not having the opportunity to prepare for the hearing. Mr. Farber indicated his belief that President Wexler's statements all indicated that the Group would be denied a hearing. President Wexler indicated his statements only referred to consideration of the materials submitted. Mr. Farber indicated that the documents were submitted with the intention of seeking a reconsideration, which is what the Goodman Group wants. He indicated that Congressman Philip Burton and others believed that the Goodman Group is entitled to a rehearing without it being conditioned upon written submissions.

NEW BUSINESS (continued)

President Wexler again inquired what information or statements would have been provided or presented that would have affected the result of the Commissioners' consideration, and Mr. Farber requested that President Wexler hear the case on its merits. President Wexler indicated that there appeared to be confusion about the purpose of the July 5, 1977 consideration and noted that the Commissioners were considering the proposals which were submitted by the May 16, 1977 deadline. There was no proposal submitted by the Goodman Group by that deadline and there was no way the Commissioners could have considered the Goodman Group as a developer on July 5 because it had not submitted a proposal. The question was what information had been subsequently provided by the Goodman Group which could be construed as new information not presented on July 5 which the Commissioners might have considered in order to reach a different decision on selection of a developer.

Mr. Farber alleged that Mr. Wofsy was originally acting as an agent and developer for the Goodman Group and as a result of his role there, Mr. Wofsy had acquired certain knowledge, information, and ideas which he used in submitting a proposal on his own behalf to the Agency. Mr. Farber believed that Mr. Wofsy breached his obligation as the agent of the Goodman Group by submitting a proposal substituting himself as the principal. President Wexler indicated that this particular allegation had been made and considered at the meeting of July 5, 1977. Mr. Farber reiterated his belief that there had been inadequate notice and time for the Goodman Group to develop its arguments. President Wexler again inquired where the material provided a basis for this argument.

In response to Mr. Lee's inquiry, Mr. Farber indicated that Mr. Wofsy had a written agreement with the Goodman Group. Mr. Farber responded that Mr. Wofsy was to act as a developer for the Goodman Group and his proposal was contrary to that agreement. President Wexler indicated he had asked Mrs. Senger that question at the July 5 meeting and she had stated that the only provision of the agreement that was violated pertained to Section 8. President Wexler indicated that if it were believed there were other violations, then this argument should be presented. Mr. Farber indicated that page 2 of an August 15, 1977 letter from the Goodman Group to the Commissioners indicated that Mr. Wofsy had acted in "bad faith".

President Wexler indicated that the Commissioners had put in much time and effort in studying the materials submitted on behalf of the Goodman Group, as had the Agency staff in reviewing and analyzing it, but it did not appear from this review of the written materials, that the Goodman Group had been prejudiced at the July 5, 1977 hearing. He inquired if there was anything in these materials that showed how the Group was prejudiced by that hearing or how the result would have been different if that information had been made available, and Mr. Farber indicated his belief that all of the submissions substantiated that view. President Wexler indicated there appeared to be a difference of opinion and that the materials submitted related to the Goodman Building in terms of what the Group might do at some future time. This, in his opinion, had no relevance to the decision on proposals which were submitted by the May 16, 1977 deadline. Mr. Farber indicated that he believed Mr. Wofsy had presented a proposal that was to have been presented by the Goodman Group and the Group intended to prosecute him in order to stop him. He also believed that the Group would sue to collect whatever profit Mr. Wofsy would make.

NEW BUSINESS (continued)

In response to Ms. Blomquist's inquiry, Mr. Farber indicated that Mr. Wofsy's role as an agent to the Goodman Group had been evidenced by his discussion of the proposal with them. Ms. Blomquist asked for more specific evidence, and Mr. Farber responded that Mr. Wofsy had used the Group's good will. Ms. Blomquist questioned if this would make Mr. Wofsy an agent of the Group and asked if there was anything else. Mr. Farber responded that basically Mr. Wofsy had simply taken the ideas and money of the Group and presented their plan as his own.

President Wexler indicated that the Goodman Group had made the status of Mr. Wofsy quite clear on July 5, 1977 and that the Commissioners' decision was not made with any reliance on an inference that Mr. Wofsy was acting as an agent of the Goodman Group. President Wexler indicated that the material supplied to Mr. Wofsy was public information, which included copies of the Marquis Report. He questioned if there was an additional agreement with Mr. Wofsy, and Mr. Farber replied that the letter of transmittal for the Marquis Report indicated this. Ms. Blomquist expressed the belief that the study was public information and conveying this would not make Mr. Wofsy an agent of the Group. Mr. Kaplan commented that Mr. Farber's allegations appeared to concern the Goodman Group's relation with Mr. Wofsy, and therefore these did not provide a basis for a rehearing.

President Wexler indicated that there appeared to be nothing to justify a rehearing and that any allegations against Mr. Wofsy would have to be determined by a court and the Commissioners were present only to decide there was a basis for a rehearing, based upon any new information which was unavailable on July 5, 1977. Mr. Farber indicated the matter of inadequate notice was a serious issue. President Wexler noted that the Commissioners were willing to provide an opportunity for anyone to come forward from the Goodman Group to present supplemental information, but the issue of notice was not being considered. Staff had informed the Goodman Group of the consideration a week before the July 5, 1977 meeting. President Wexler indicated that even assuming the notice was inadequate, there appeared to have been nothing submitted that would show any prejudice. In response to President Wexler's inquiry, Mr. Farber indicated that he would need about thirty minutes to present additional information. President Wexler indicated that fifteen minutes would be made available to present any supplemental material to that already reviewed.

Mr. Farber indicated that Mr. Wofsy proposed rehabilitation of the Goodman Building for a cost of \$625,000 and that the Group's plan would renovate the building at a cost of \$267,000. He noted that the Wofsy proposal contemplated an annual expense of \$67,000 in rent subsidies to be borne by the taxpayers, and the Goodman Group's proposal contemplated no such rent subsidy. He believed this should be considered on whether a rehearing was in order. He again stressed the difference of \$330,000 in rehabilitation cost for the building for the Wofsy proposal. He believed this aspect alone would justify a decision to hold a rehearing.

Mr. Irwin Mussen came forward and indicated that he believed there was a new element in that the formation of a housing development corporation was being considered for the preservation of the building.

NEW BUSINESS (continued)

He stressed his belief that the community in the building was an element which should be a primary objective of the housing development corporation. Mr. Mussen did not believe the Wofsy proposal would bring that community back into that building. Mr. Mussen commented on the requirements of the Section 8 program, noting that it benefited persons 62 years old or who were disabled; therefore, the people in the Goodman Building would be displaced, and probably would not be permitted to return to the building after rehabilitation. He named those comprising the housing development corporation and indicated that they were progressive and creative. He believed the Agency and the corporation could come up with a creative solution which could become a model for other communities.

Ms. Susan Bierman came forward and indicated she was appearing as an individual and not as a Commissioner of the City Planning Commission. She indicated she had worked with the Goodman Group for some time and her reason for being present today was first to comment that she believed that the notice was inadequate and also to state her support for the Goodman Group's proposal. She indicated that because she had had many calls from people who did not know that the Commissioners were to vote on the designation on July 5, 1977, she believed that there had been insufficient notice and urged that a rehearing to consider the Goodman Group's proposal should be held. Ms. Bierman noted that she respected the Commissioners' efforts to preserve the building but that she was personally concerned with artists and was disturbed that society had not provided help for those who wanted to create. She believed that the proposal to turn the building into apartments would drive the artists out and that it appeared Mr. Wofsy had taken the plans of the Group and submitted a proposal which she believed he was not going to implement. She stated that Ms. Senger swore she had not been notified of the July 5 meeting. President Wexler thanked Ms. Bierman for her comments.

Ms. Martha Senger of the Goodman Group came forward and indicated that the Commissioners had received a letter requesting a rehearing, and if there had been sufficient time she would have had supporters of the Goodman Group come in and make their views known. As it was, she read excerpts from various individuals who urged a rehearing. She also indicated that the reason the building was on the National Register of Historic Landmarks was because it was being used by artists which gave it character, and she alleged that this would be changed if Mr. Wofsy renovated it. She indicated concern that the interior of the building and its use would be damaged, and the tenants would be displaced. One of the members of the Goodman Group came forward and presented President Wexler with a petition with 625 signatures to back up their request for a rehearing. President Wexler indicated that their presentation was concluded at this time and asked if Mr. Mervyn Goodman wished to comment.

Mr. Mervyn Goodman came forward and indicated that he wished to thank the Commissioners for their consideration of the property because he would like to see the property back on the tax rolls. He also expressed interest in the Van Ness Avenue portion of the property. President Wexler thanked him for his comments.

Mr. Lee questioned Ms. Bierman regarding the notification and she indicated that Ms. Senger had not been properly notified and had not known the Commissioners would make a decision on July 5, 1977. Mr. Lee questioned how the notices were normally sent out, and Mr. Gene Suttle, Area Director for Western Addition Area A-2, replied that the Goodman Group had been informed

of the hearings at the time they were at a meeting in the site office, and that subsequently Mr. William McClure, Chief of Rehabilitation, also had informed Ms. Senger that the matter would be heard. President Wexler indicated that at that meeting the Commissioners suggested that in the future notifications be in writing so there would be no differences of opinion. Mr. Farber indicated his belief that since the method of notification had been amended, it was evident that previous notices were inadequate. President Wexler stressed that the change in process occurred merely to avoid a misunderstanding and he did not believe the Agency was under any legal obligation to send notices to someone who did not have a proposal submitted. He indicated that those who submitted proposals were notified. Mr. Leo E. Borregard, Agency General Counsel, indicated that that was a correct statement. President Wexler inquired if Mr. Hamilton wished to comment.

Mr. Hamilton indicated that from the staff evaluation of the materials submitted and the lack of any evidence of financing, there was no basis upon which a recommendation could be based to support a rehearing.

President Wexler inquired if Mr. Farber wished to make a final comment, and Mr. Farber indicated that the issue of whether or not a rehearing should be held was predicated upon the fact that the notice was inadequate and that the Goodman Group should be heard. The other point was that the presentation made by Mr. Wofsy was made in bad faith with the Goodman Group since they were robbed of their own ability to file a submission. He believed that Mr. Wofsy's proposal would disturb the community of tenants in the building and change its character, as well as cost the taxpayers more money than rehabilitation of the building should cost. He again cited the \$67,000 rent subsidy item to be carried by the taxpayers each year. President Wexler entertained a motion on the matter of granting or denying a rehearing.

MOTION: It was moved by Ms. Blomquist and seconded by Mr. Kaplan that the request for a rehearing of developer designation on the Goodman Building be denied, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Kaplan
Mr. Lee
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

President Wexler declared that a request for a rehearing had been denied.

MATTERS NOT APPEARING ON AGENDA

- (a) Request by CANE and the Coalition in Support of Nihonmachi Tenants to speak on the matter of the 1869 Buchanan Street building.

MATTERS NOT APPEARING ON AGENDA (continued)

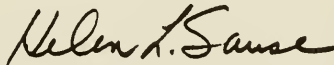
President Wexler indicated that a request had been received from CANE and the Coalition in Support of Nihonmachi Tenants to speak on behalf of the tenant, Mr. Henry Lee, of 1869 Buchanan Street, and he inquired of Mr. Brian Spears, Mr. Lee's attorney, if he wished to speak on behalf of Mr. Lee.

Mr. Mickey Imura of CANE and the Coalition indicated he wished to be heard, and President Wexler responded that if any comments were made on Mr. Lee's behalf they should be made by Mr. Lee's counsel. President Wexler inquired if Mr. Brian Spears wished to speak. Mr. Spears asked for a moment to consult with Mr. Imura and, during that period of consultation, Mr. Randall Paggett, another attorney representing Mr. Lee came forward and requested that CANE and the Coalition representatives be allowed to speak. President Wexler again indicated that the subject involved Mr. Lee and that one of his attorneys could speak on his behalf and the Commissioners would listen to the presentation. Neither Mr. Spears nor Mr. Paggett came forward.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

25-77

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF OCTOBER 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of October 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Walter F. Kaplan
Melvin D. Lee

and the following were absent:

Rubin Glickman
Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Marc Goldstein, John Kriken, Alan Jacobs, Thomas Aidala, and James Jefferson, representing Skidmore, Owings & Merrill; Domenic Crociani, City Department of Public Health; Mary Rogers, Arnold Townsend, and Ed Crocker, Western Addition Project Area Committee (WAPAC); Alan Wofsy, Alan Wofsy & Associates; Martha Senger, Farris Morison, Kim Pletchker, Elizabeth Newman, and Paul Denning, representing the Goodman Group; and Sam Herzstein, Terminix of Northern California, Inc.

Representing the press was Marc Elliot, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Regular Meeting of October 18, 1977, as corrected and as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) At 4:00 p.m. on October 26, 1977 the Community Development hearings will take place before the Finance Committee of the Board of Supervisors, and the Commissioners will be advised of the outcome.
- (b) In connection with the relocation of the International Hotel tenants, to date 41 persons have been interviewed by the Central Relocation Services staff and efforts continue to contact and provide services

REPORT OF THE EXECUTIVE DIRECTOR (continued)

to all tenants. In addition to the 4 persons that have moved into public housing and 28 who have moved to the Stanford Hotel, 9 have moved to other private units.

NEW BUSINESS

- (a) Consideration of authorization to negotiate a contract for architectural and planning services with Skidmore, Owings, and Merrill, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that in order to achieve the new planning objectives for Yerba Buena Center it is necessary to engage an urban design consultant to re-evaluate the area to determine what physical land use, urban design, architectural and transportation modifications should be considered. Requests for statements of qualifications were mailed to 350 architectural, planning and landscaping firms in California and of these seventeen responded. Those firms were then reviewed by a screening committee, consisting of representatives from the American Institute of Architects, the American Institute of Planners, the Chief Administrative Officer of the City and County of San Francisco, the architectural firm of Hellmuth, Obata and Kassabaum, and of two Agency staff members. Additionally, the Agency Affirmative Action Officer, and representatives from the Human Rights Commission, and the San Francisco Coalition reviewed each firm's affirmative action plans. The screening committee determined the five most qualified firms and from these the Selection Committee, composed of Messrs. John Igoe, Yerba Buena Convention Center Coordinator; Norman Karasick, City Architect; Redmond Kernan, Deputy Executive Director for Planning and Development; and the Executive Director, interviewed these firms and determined that the Skidmore, Owings and Merrill team was the most qualified to undertake the effort.

Mr. Hamilton requested Mr. Kernan to comment on the selection process, and Mr. Kernan indicated that one object of the process was to assure maximum cooperation with the Chief Administrative Officer. Mr. Kernan again reviewed the screening and selection teams and commented that the Selection Committee had been pleased to have such qualified firms to interview. He noted that Skidmore, Owings and Merrill will work with Jefferson and Associates, Inc. in connection with traffic circulation and parking, and with Thomas Aidala on the physical planning and that Alan Jacobs was the urban design consultant.

Ms. Blomquist inquired about the cost and time for the work and Mr. Hamilton responded that these aspects would be determined when the Commissioners authorized negotiation of a contract. He noted that it was anticipated it would require about six months' time for the performance of this work.

Ms. Shelley commented on the evaluation sheet the Commissioners had been given which allowed the various consultants to be rated and indicated there was no explanation of the points given to each firm in each of the categories. She inquired how each firm was weighted and allocated points and how Skidmore, Owings and Merrill emerged as better than its competitors in this rating screen. Mr. Kernan responded that the sample forms given the Commissioners were only worksheets used by the individual on the panels as an indication of the criteria for evaluating the firms. He indicated that President Wexler had requested examples of the criteria used by the

NEW BUSINESS (continued)

screening committee and this was to indicate the elements considered. He noted that the purpose was to make the process as objective as possible.

President Wexler inquired if there had been any input into the process how architect Richard Gryziek would work with Skidmore, Owings and Merrill. Mr. Kernan replied that a letter had been sent to Mr. Gryziek suggesting a working relationship between the two firms. He noted that Mr. Gryziek's role is particularly to define the program for the theme park rather than to give it architectural form. His work will involve Skidmore, Owings and Merrill to some degree, however. He will be more involved in development of the program than working on planning the location and other design aspects of the area. President Wexler inquired about the economic feasibility study and Mr. Kernan responded that this evaluation by Economic Research Associates is proceeding in conjunction with the work being done by Mr. Gryziek. Mr. Kernan noted that it was anticipated that Mr. Gryziek will make a presentation to the Commissioners on November 8, 1977 on the tentative alternatives which are being studied. These will ultimately be narrowed down to the one which is most feasible. President Wexler inquired if the Agency was to a point where it could engage engineering and architectural consultants, and Mr. Kernan indicated the program was not yet fully developed but ERA believed the program was feasible and upon adoption of the best concept will test the market to see if there is strong developer interest. ERA has also been contacting developers to determine their response to the architectural concept. It is anticipated that the design consultant will also place development requirements regarding mass and access of buildings, therefore it is appropriate to develop the urban design criteria and complete this process prior to engaging firms to carry out specific aspects of the work.

Mr. Lee inquired if during the interviews the cost of the contract had been mentioned, and Mr. Kernan indicated that in the interviews there had been no mention of the costs since these were to determine qualifications of the firms. Subsequently the estimated cost has been mentioned to Skidmore, Owings and Merrill in order to provide a framework for the negotiations; the figure that has been given is a range of \$75,000 to \$100,000, but until the parameters of the contract are further defined it is difficult to state the cost. Mr. Kernan explained that unlike a contract to provide design for a specific building, this project does not require a specific product; therefore it is not as easy to define the cost of the service. He indicated that, for example, should the apparel mart not be built, this would change the design concept and it would be necessary to have alternatives developed. There may be many alternatives before a final plan is developed, and Mr. Kernan indicated that the contract will relate primarily on hours to be spent.

Ms. Shelley inquired if in the Skidmore, Owings and Merrill negotiations an acceptable fee was not arrived at what would occur then. Mr. Kernan replied that in conformity with professional practices, negotiations would then be terminated with the first firm and the staff would request the Commissioners to consider the firm ranked second. Mr. Kernan indicated that representatives were present from Skidmore, Owings and Merrill and introduced Mr. Marc Goldstein, the partner in charge.

Mr. Marc Goldstein came forward and indicated that in developing a team for this work, there were basically two areas considered to supplement the

NEW BUSINESS (continued)

Skidmore, Owings and Merrill firm. He used charts to describe the organizational structure and indicated that he would be the partner in charge of the contract and that the project director would be John Kriken. Mr. Goldstein noted that essentially the work would be divided into the areas of circulation and parking, physical planning, and the urban design elements. He introduced the other members of the team: Mr. James Jefferson of Jefferson Associates, Inc., and Messrs. Alan Jacobs and Thomas Aidala. Mr. Goldstein indicated that as a result of their preliminary evaluation they suggested that the contract period be divided into either sixteen week segments or four six-week periods. There would be four short-term products related to the actual design and physical plan. There will also be three long-term products: the transportation and system recommendation and final urban design guidelines, as well as recommendations on the theme park. Mr. Goldstein indicated they were confident they could achieve a successful working relationship. President Wexler thanked Mr. Goldstein for his presentation.

MOTION: It was moved by Mr. Kaplan, seconded by Ms. Shelley, and unanimously carried that staff be authorized to negotiate for urban design services with Skidmore, Owings and Merrill for the Yerba Buena Center Approved Redevelopment Project Area.

- (b) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 72, Western Addition Approved Redevelopment Project Area A-2.

This item requests authorization to advertise Demolition and Site Clearance Contract No. 72, Western Addition Approved Redevelopment Project Area A-2, to demolish the last remaining building at the corner of Webster Street and Golden Gate Avenue, which is the site for the John Swett Community Facility. The building has been vacant since September 1976 and the Agency is required to engage in the preparation of the site by December 21, 1977, according to the terms of the \$2,300,000 Economic Development Administration grant to permit the facility. Mr. Hamilton noted the efforts made by the Western Addition Project Area Committee (WAPAC) in obtaining this grant.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Kaplan, and unanimously carried that Demolition and Site Clearance Contract No. 72, Western Addition Approved Redevelopment Project Area A-2, be advertised.

- (c) Resolution No. 219-77 awarding contract for pest control services, all projects, to Terminix of Northern California, Inc.

President Wexler indicated that as a point of personal privilege since Terminix was a client of his firm, he would not take part in the action and would step down from the podium. Acting President Shelley assumed the Chair.

Mr. Hamilton indicated that this item concerned award of a one-year contract for pest control services to Terminix of Northern California, Inc. for \$22,620. Terminix was the only bidder. Efforts to solicit bids were made by extensive advertising. Mr. Hamilton indicated in addition that mailings had been sent to thirty-four firms. In attempting to ascertain the reasons for lack of response to that advertising, Mr. Hamilton indicated the most frequent response was that the contractors did not wish to participate in the

NEW BUSINESS (continued)

Agency's affirmative action requirements because it would require the hiring of an additional community person. Mr. Hamilton indicated that Terminix had performed well on its previous contract and had a satisfactory affirmative action program in that it hired residents from the area and maintained them on its payroll. The hourly rate of the contract since January 1977 was \$140 but under the new contract the rate would be increased to \$145 hourly.

Mrs. Mary Rogers of WAPAC came forward and urged approval of this contract which provided urgently needed services. Ms. Blomquist was concerned that Terminix apparently had a monopoly on the Agency's pest control work and whether or not there was another way to structure provision of these services. Mrs. Rogers urged continuance of services because as long as buildings were being demolished, pest control services would be necessary as this activity caused rats and mice to run to other buildings.

Mr. Hamilton emphasized the need for pest control, and in response to Mr. Kaplan's inquiry, indicated that the present contract is exhausted. Mr. Kaplan expressed his belief that the Commissioners were being forced to action with no chance to study the matter, and inquired why it had not been brought up a month earlier. Mr. Hamilton indicated that as a result of unanticipated need the pest control services had been exhausted. He indicated the extensive efforts to solicit bids which had resulted in only one firm responding and noted that he did not know how other bids could be obtained. He indicated that the need for such services was critical and also stressed that the Agency would be seriously criticized by the Department of Public Health if it did not continue the services.

Ms. Blomquist commented that since most firms did not wish to become involved because of the affirmative action requirements it appeared to result in Terminix monopolizing the Agency's work and asking whatever price it wished. Mr. Hamilton indicated that there was no advantage to the firm since it had the same costs any firm would have in fulfilling the Agency's affirmative action requirements and it assumed the same risks as any other firm in bidding on a contract to be awarded on the basis of competitive rates.

Mr. Lee inquired which staff person would monitor the contract, and Mr. Hamilton indicated it was Mr. Earl Mills, Deputy Executive Director for Community Services. Mr. Mills came forward and indicated that the City's Department of Public Health also monitored the contract to assure the professional quality of the work being done. Mr. Lee inquired how the Department of Public Health oversaw the work and Mr. Mills indicated that the Department of Public Health performed random checks on the work and certified it, as well as determining the chemical mixtures and composition of materials to be used. He noted that a representative from the Health Department was available to comment on its procedure.

Mr. Domenic Crociani of the Department of Public Health came forward and indicated that the Department of Public Health inspectors go into the field to evaluate and certify the work of private pest control firms. He expressed concern that the Environmental Protection Agency has taken most of the better chemicals off the market used by pest control firms, but nevertheless believed that such firms and the Health Department have decreased the pest population in the City, particularly that of mouse infestation.

NEW BUSINESS (continued)

Mr. Kaplan indicated that he believed there was a need for pest control but noted he would prefer to see the present contract extended for one month to permit time for staff to learn why there had not been a better response.

MOTION: It was moved by Mr. Kaplan and seconded by Ms. Blomquist that the present contract with Terminix, Inc. for pest control services in all projects be extended for one month.

Mr. Hamilton expressed concern that rebidding the contract could take more than one month. Mr. Lee indicated his belief that contracts had been advertised and bids received within two to three weeks and this was a simple matter. Mr. Hamilton indicated his concern that with only a thirty-day extension, staff would not be able to do the advertising in a different manner so as to attract more bidders and assure that the successful bidder had an acceptable affirmative action plan. Acting President Shelley inquired what time extension would seem feasible and Mr. Mills suggested that sixty days would give sufficient time and also noted that it would be necessary to determine if the present contractor would be willing to accept such an extension. Acting President Shelley inquired of Commissioners Kaplan and Blomquist if they would accept an amendment to their present motion to extend the present contract with Terminix of Northern California, Inc. for pest control services for a sixty-day period.

Ms. Blomquist indicated that she did not accept the amendment to the motion and noted her interest in knowing why more contractors had not bid. She indicated that she did not see what would be gained by rebidding the contract again. Mr. Hamilton concurred noting that the disinterest expressed by the four contractors whom staff had contacted was in relation to the additional cost of hiring and training residents from the area. He believed that this was a profession which was not well integrated and that was the reason given why there had been failure to respond to the advertisement soliciting bids.

Acting President Shelley indicated that the Commissioners were now considering a motion of a thirty-day extension of the existing pest control contract.

Mrs. Rogers again came forward and indicated her concern about the infestation of mice and rats and urged that the pest control services be continued. She indicated her belief that the Commissioners easily approved \$100,000 contracts while rejecting a \$22,620 contract which she believed had a good affirmative action program and provided necessary services. Mr. Hamilton indicated to Mrs. Rogers that the Commissioners were not considering terminating the services but were planning to act on an extension of the present contract.

Mr. Sam Herzstein of Terminix of Northern California, Inc. came forward and indicated that his firm considered all the factors when bidding on a contract and believed that its proposal was competitive and realistic. He indicated that the fee was increased 3.7 percent, but because of inflation,

NEW BUSINESS (continued)

this is, in effect, actually a decrease. He also indicated that his firm employed minority people from the community and has won the praise of the community. In an industry that is not well integrated, he believed his firm had made substantial progress. Mr. Herzstein noted that if his firm had any advantage, it would be that the firm had an employee who was familiar with the Agency's pest control problems and who could work effectively and efficiently with community people. Mr. Herzstein indicated that there had been no complaints in the past two years concerning the firm, and he believed that the 3.7 percent increase in one year was a risk from his point of view since he had no knowledge of what labor increases would be during that period. Acting President Shelley indicated that the Commissioners were concerned that the bidding process provided every opportunity for those interested to bid and that they were contemplating delaying the award of the contract for thirty days. She inquired of Mr. Herzstein if it was feasible for him to continue his present contract on a thirty-day extension and he replied that was agreeable to him but indicated that any increase in labor costs would be passed on directly to the Agency. The proposed increase in labor costs, he believed, would be eight percent rather than 3.7 percent.

Mr. Arnold Townsend of WAPAC came forward and indicated that the community has had a good relationship with Terminix which had provided employment for community residents. He believed that other contractors did not want to comply with the affirmative action regulations. He believed that Terminix was the one company willing to relate to that program and now it appeared that it would be beaten out by firms unwilling to accept affirmative action of their own accord. He believed there was nothing to be gained by sending the bid back, because it appeared that the Commissioners erroneously believe that the Agency staff had not offered a fair opportunity to other bidders.

Acting President Shelley indicated that the Commissioners were now to vote on the motion of thirty days extension. She indicated that personally she intended to vote against the time extension because she hoped that the Commissioners would again consider the original proposal.

MOTION: It was moved by Ms. Blomquist and seconded by Mr. Lee that a thirty-day extension of the existing pest control contract with Terminix of Northern California be approved, and on roll call the following voted "Aye":

Ms. Blomquist
Mr. Kaplan
Mr. Lee

and the following voted "Nay":

Ms. Shelley

and the following abstained:

None

The Acting President thereupon declared that the motion carried.

President Wexler returned to the meeting and resumed the Chair.

NEW BUSINESS (continued)

- (d) Resolution No. 222-77 commending John Burr, Property Manager, for outstanding service on the occasion of his retirement from the San Francisco Redevelopment Agency.

Mr. Hamilton indicated that Mr. John Burr, Property Manager, was retiring after almost ten years of dedicated service to the Agency, and he requested that the Secretary read the resolution commending Mr. Burr.

"WHEREAS, John Burr has served on the staff of the San Francisco Redevelopment Agency for nearly ten years in a dedicated, patient, and effective way; and

WHEREAS, Mr. Burr has the respect and admiration of many community residents and leaders, as well as fellow workers; and

WHEREAS, the Agency regretfully acknowledges Mr. Burr's retirement; now, therefore, be it

RESOLVED that the Redevelopment Agency of the City and County of San Francisco expressed its appreciation of his devotion and contributions to the redevelopment program in the City and County of San Francisco; and, be it

FURTHER RESOLVED that a suitable copy of this resolution be tendered to Mr. Burr as a token of the esteem in which the Commissioners and staff hold him."

President Wexler thanked Mr. Burr on behalf of the Commissioners for his many years of Agency service. Mr. Burr indicated he would always cherish and enjoy having worked with the Agency and looked forward to seeing its projects completed.

President Wexler indicated that the meeting would need to recess for an executive session before returning to vote upon Item 9 E, which is a personnel matter. Mr. Hamilton indicated that prior to recessing, the representatives of the Goodman Group had requested that they be heard off-agenda.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of presentation by the Goodman Group.

Mrs. Martha Senger of the Goodman Group came forward and indicated that Mr. Paul Denning would speak for the Group regarding the State of California grant to the Group.

Mr. Denning came forward and indicated that he had just this morning been apprised of the meeting and was present to urge acceptance of the \$15,000 grant offered to the Goodman Group by the State of California. He indicated that he had studied the Marquis Report and the figures made sense, and expressed the belief that the Goodman Group had taken the time and made the effort to put a proposal together for a quality project. He believed them to be sincere in their efforts to match the grant, and believed that the issue was more a moral than a legal one. President Wexler inquired if Mr. Denning was aware that there was already a designated developer for the

MATTERS NOT APPEARING ON AGENDA (continued)

Goodman Building who would have to receive any funds and decide whether he wanted to receive such funding for the building's renovation. Mr. Denning questioned why the redeveloper did not want these funds, and President Wexler indicated that he was present and would speak to the issue at the appropriate time. President Wexler indicated that the Goodman Group did not own the building and was not in a position to receive funds since only the owner of the building could legally do this. He indicated that the State had been confused about this aspect of ownership but understood that the Goodman Group was not entitled to accept the State historic preservation funds which also required property owners to commit themselves to maintenance of the building for a period of thirty years. Mr. Denning suggested that a community development corporation, as developer, could act on acceptance, but President Wexler reiterated that there was already a designated redeveloper; however, should the redeveloper at some time in the future decide not to proceed, then other alternatives could be considered. Mr. Denning suggested that the matter should be handled directly between the Agency and the granting authority. President Wexler reiterated that to correct the record many statements made by the Goodman Group and Mr. Denning were at variance with the requirements of the State in making grants and that there was no way the State could give the Goodman Group money from a grant. Mr. Denning indicated he now understood the issue and asked Mrs. Senger if she wished to comment further.

Mrs. Senger indicated that she was asking that the Commissioners on behalf of the Agency accept the grant and that the Group felt strongly about the grant because it considered the grant critical to the renovation of the building. Mrs. Senger denied that the Group had misled the State officials in the grant application and stressed her belief that the Group had worked hard for over two years to secure this funding. She recalled that four and one-half years ago the Group had learned that money was available to renovate buildings that were on the National Register of Historical Landmarks and that was the reason the Group worked so assiduously to get the building registered. She believed it had been placed on the Register because of its particular use and that the Group was responsible for bringing the building to where it could qualify for the grant funds. She indicated that in the past year the State did not receive as much funding as it had requested and therefore the grant was less than requested. She indicated that the Group wanted to use the \$15,000 to do code work on the building. She also noted that the Group would donate much of the labor to provide the necessary matching funds. She stressed that the building would deteriorate rapidly if pressing needs were not met, such as roofing repairs, and added that any work done would benefit the redeveloper. She indicated her understanding that the Goodman Group could not receive the grant but what was desired was that the Agency received the grant for the building and if it did and could not use the funds, these could be returned to the State. She requested that the grant be accepted and held until a final decision was made on the developer. Mrs. Senger stressed that the critical issue was that this was only Phase I of the grant, which would be expended for code work, and that Phase II would provide acquisition funds for the building amounting to \$224,000 which was the price of the building at the time the application was submitted.

She believed that when notification is received from the State that Phase II of the grant has been approved, then the Goodman Group would receive a

MATTERS NOT APPEARING ON AGENDA (continued)

minimum of \$50,000 but she was concerned that acceptance of the first phase of the grant in the amount of \$15,000 before November 1, 1977 is necessary to go on to the second phase. She again reiterated that the Group had worked to produce a plan to save the building so it could remain as an art center and indicated her belief that is why Mr. Denning considered it to be a moral rather than a legal issue. Mrs. Senger urged that the Agency accept the grant and if it could not be used then return it to the State and she pledged that the Goodman Group would match the funds. She indicated that staff had informed her that it would be necessary to meet with the designated developer and make that request. Mrs. Senger indicated that she had spoken with Mr. Alan Wofsy but he had informed her he did not want to use the grant money and would not meet with her without having a signed statement that she was authorized to sign an agreement with him for the Goodman Group and that the Group agreed with his proposal. She expressed her hope that he would request the funds. President Wexler inquired if Mr. Wofsy wished to comment.

Mr. Alan Wofsy came forward and indicated that it was true that Mrs. Senger had called him yesterday and wanted to meet in order to discuss the grant, but he had requested as a prerequisite that certain defamatory statements made by the attorney, Gene Farber, for the Goodman Group at the previous Agency meeting be retracted by the Group with respect to his relationship to the Group. Mr. Wofsy also indicated that he had requested that the agreement signed in April by Mrs. Senger was held to be invalid because it was never ratified by the officers of the Group. At the next meeting of the Group that he had attended, none of the officers would sign the agreement and, in addition, they stated Mrs. Senger had no authority to sign it on their behalf. Mr. Wofsy indicated that he did not expect the Group to accept all points of his proposal but he deplored character assassination. Mr. Wofsy indicated that he believed that the building could be an art center while still providing a normal living environment. He indicated that the \$15,000 funds to be allocated by the State represented only a small percentage of the cost of the work to be done and also noted that the Group's application for \$224,000 for acquisition funds equal only approximately 20 percent of the total needed to rehabilitate the building. Even if the total amount of the grants were received, renovation of the building was still economically infeasible. Mr. Wofsy commented that under his proposal the grants were unnecessary. He indicated that the Goodman Group had been obstructionistic in his efforts to secure Section 8 financing by making misrepresentations to the City officials and that he was in the process of trying to straighten this out. He stressed that no additional subsidies were necessary and that he did not want the grant. Mr. Wofsy stressed that the Goodman Group had submitted an application for a grant based on renovation of the building as a rooming house that was totally different than his proposal for developing complete units. He indicated that holding open the possibility of receiving the grant prolongs the ambiguity of the Goodman Group. He indicated the Group was an interested party since they occupied the building but they wanted to be the developer and were not designated as such. Mr. Wofsy indicated that he had submitted his proposal by the May 23, 1977 deadline and, as a result, had been designated as developer. He agreed that the activities of the Group were delaying the Section 8 application and inhibiting his ability to rehabilitate the building. He urged that all work together to get the Section 8 funding.

MATTERS NOT APPEARING ON AGENDA (continued)

Mr. Townsend came forward and indicated that WAPAC supported Mr. Wofsy's proposal but indicated that it was his understanding that the grant was made to the building and not to the developer. He believed that all grants of this type should be explored if there is a question of using the funds to keep rental costs down. He urged that the Commissioners consider this and if the Agency cannot accept the grant then he urged that Mr. Wofsy accept the money. President Wexler indicated concern about accepting the grant. He noted that if the Agency should accept the grant, it would have to do so with the acceptance of Mr. Wofsy so that he would be the recipient of the grant. Mr. Hamilton concurred that if the grant were made to the Agency, Mr. Wofsy would have to accept it. Mr. Townsend suggested that if Mr. Wofsy did not perform then the money could be returned to the State. Mr. Hamilton indicated that time would not permit such consideration since acceptance of the grant had to be made by November 1, 1977, and Mr. Wofsy has already stated he did not want the grant, since he has his own financing vehicle. He noted that Mr. Wofsy had also indicated that the grant was for a specific type of building, and there is some question as to whether these funds could be used to supplement Mr. Wofsy's proposal and whether, after having received the grant, could at a later date then return it to the State. President Wexler indicated that there had to be a commitment made in conjunction with the receipt of the money. Mr. Hamilton indicated that the matter could be explored to see if the State would make the grant subject to conditions including the provision that the funds could be returned if not used.

Agency General Counsel Leo E. Borregard indicated that based on his discussions with the State on the grant funds, a contract commitment would have to be entered into within thirty days. He noted that it would have to be determined if transfer (1) could be made of an application made by someone else; (2) the ability of the Agency to accept the grant resulting from the present application; (3) the ability to return the grant; and (4) the matter of whether there is inconsistency with receipt of the money and its subsequent return.

Mrs. Senger reiterated her belief the grant was given to the Goodman Building because of its present use and because of its architecture and indicated that her group would work with any proposals for utilization of the grant. She indicated that the application suggested uses for the grant. President Wexler indicated that the relationship of the Group to a developer was not germane to the matter, but rather was a question of whether the Agency should apply for the grant before the November 1, 1977 deadline.

Ms. Elizabeth Newman came forward from the Goodman Group and indicated that the relationship was a relevant issue since she believed Mr. Wofsy's statements affected the credibility of the Goodman Group. She added that the agreement between the Group and Mr. Wofsy had been ratified at a collective meeting and Mrs. Senger had authority to sign for the Group as a member. President Wexler indicated his appreciation of this point but noted that the Commissioners now had to decide whether the Agency should apply for the State grant when there is a designated developer who does not want it. The considerations should include whether application for a grant is not inconsistent with the designated developer's position and if there is a way to refund the money. He asked what staff recommended.

MATTERS NOT APPEARING ON AGENDA (continued)

Mr. Hamilton suggested that the matter be taken under advisement so that an answer could be obtained on the question of acceptance of the grant with the right to return it if this could be done by the November 1, 1977 deadline. Mr. Borregard indicated concern that the application could be submitted to the State in time to be considered. He noted that a new application would have to be made which makes clear who the applicant is prior to November 1, 1977.

Mr. Jerry Flamm, Community Development Specialist, indicated that although the application was due on November 1, 1977, Mrs. Marian Mitchell-Wilson of the Historical Preservation Section of the State Department of Parks and Recreation indicated that it would be acceptable if the application was sent in during the week. He stressed his belief that the designated developer would have to concur in the application. Mrs. Senger indicated her desire to meet with Mr. Wofsy since she believed the improvements made to the building would be of benefit to the developer and could conform to his proposal, but she stressed that Mr. Wofsy did not yet have a disposition agreement for the property.

President Wexler concurred in the suggestion that the Commissioners take the matter under advisement for one week while Mr. Borregard determined whether the grant could be refunded. President Wexler indicated that it would not be desirable to pass up an opportunity for a grant if it could be obtained under the conditions specified. In response to Mr. Kaplan's inquiry the Staff would also determine the legality of the Agency becoming an interim depository for the grant.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Kaplan, and unanimously carried that the matter of acceptance of a grant from the State of California for the Goodman Building be taken under advisement for one week.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Kaplan, and unanimously carried that the meeting be recessed to an executive session, after which time the regular meeting would be reconvened. The meeting adjourned at 5:50 p.m.

The regular meeting of the San Francisco Redevelopment Agency reconvened at 7:25 p.m. All Commissioners of the Agency, except Messrs. Glickman, Kaplan and Dr. Williams, and certain staff, were present.

NEW BUSINESS (continued)

- (e) Resolution No. 221-77 establishing classifications of positions and compensation for the Agency staff and establishing the authority for appointment to and vacation from positions under said classifications and other related matters.

Mr. Hamilton indicated that this item represented approval of salary recommendations which have been developed from an analysis resulting from the recommendations of the Civil Service Study. He noted that 31 positions would have dual rates of pay applicable to new employees after October 1, 1977. He indicated also that nine classes were deleted, one new class was added of Assistant Director of Community Services, one class was retitled

NEW BUSINESS (continued)

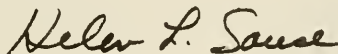
and two classes were adjusted upward. Ms. Shelley indicated that there be a delay in taking action on this item for one week.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that action be delayed on Resolution No. 221-77 for one week.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF NOVEMBER 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of November 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Walter F. Kaplan
Melvin D. Lee
Dr. Hannibal A. Williams

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and the following was absent:

Rubin Glickman

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The President declared a quorum present.

President Wexler welcomed Dr. Williams and members of the press back to the meeting. Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Benny Stewart, and Ed Crocker, Western Addition Project Area Committee (WAPAC); Robert Sullivan, San Francisco Convention and Visitors Bureau; Jeff Wilson, Warren Branscum, Jim Schultz, and William Chapp, United States Postal Service; John Igoe, Herman Alcalde, and Jack Young, Office of the Chief Administrative Officer of the City and County of San Francisco; Mark Otsea and Bill Valentine, Hellmuth, Obata and Kassabaum, Architects; Tom Adams, SWA Group; Mike Davis, Mayor's Select Committee on Yerba Buena Center; Gene LaMarre, Turner Construction Company; Richard Gryziec, Architect/Planner; Oscar James, Bayview-Hunters Joint Joint Housing Committee; Allen Jordan, New Breed, Irwin Mussen, Susan Bierman, Mike Bonner, Donald Tuner, and Martha Senger, representing the Goodman Group; and J. Laboe, interested citizen.

Representing the press were Don Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; Dan Borsuk, San Francisco Progress; and Ellen McCarthy, KPFA.

SPECIAL APPEARANCES

- (a) Presentation of Yerba Buena Center Exhibit Hall design by the Office of the Chief Administrative Officer of the City and County of San Francisco and Hellmuth, Obata and Kassabaum, Architects.

Mr. Hamilton indicated that Mr. John Igoe of the Office of the Chief Administrative Officer of the City and County of San Francisco would make a presentation on the exhibit hall for Yerba Buena Center.

Mr. Igoe came forward and introduced representatives of the team working on the exhibit hall as follows: Gene LaMarre, Turner Construction Company; Jack Young and Herman Alcalde, Office of the Chief Administrative Officer (CAO); Tom Adams of SWA Group; and Bill Valentine and Mark Otsea of

SPECIAL APPEARANCES (continued)

Hellmuth, Obata and Kassabaum, Architects. Mr. Igoe indicated that the design of the exhibit hall has been developed through the recently completed schematic stage and work will now move into the design development phase, and then on to construction drawings. A schematic review is calendered for consideration by the San Francisco Art Commission on November 7, 1977. Mr. Igoe also noted that the design had been the subject of weekly review meetings between technical staff and Mr. Richard Gryziec, Architect/Planner; T. Y. Lin, Engineer; as well as with Ed Ong, the Agency's Chief of Architecture; Robert Kenealey, Deputy City Attorney; and Norman Karasick, City Architect. He requested that Bill Valentine of Hellmuth, Obata and Kassabaum, Architects, make the presentation.

Mr. Valentine came forward and indicated the location of the site on the architectural renderings between Third and Fourth and Folsom and Harrison Streets. He also indicated on the land-use plan how the design would permit the utilization of the roof surface of the exhibit hall. He indicated the various exits, stairs, ramps and driveways, as well as the cooling towers which must be open to the air. There is also to be a 35-foot-wide pedestrian bridge over Howard Street which would provide for additional flexibility for pedestrian access to the developer of the surface uses. He noted the large central flat surface which slopes near the street areas of Third, Fourth, and Folsom. The site plan illustrated the traffic access system for the exhibit hall where taxis, automobiles, and other vehicles may unload people going into the buildings. There is also a proposed bus dropoff and a pedestrian cross-walk under the bridge, which is covered. Mr. Valentine explained how the emergency exits had been moved toward the sites of the site to enhance the area available for surface development. The exhibit hall is essentially on three main levels coming in at the street and going down to the main exhibit area thirty feet below street level. Down nine feet there is a mezzanine floor which has smaller meeting rooms. He pointed out the plans for the lobby which has lounging areas for people and escalators to take people down to the exhibit hall and meeting rooms. The lower level of the exhibit hall consists of 30,000 square feet and has the service entrance for the building ramps from Third Street which will accommodate large trucks and permit them to enter the floor of the hall. The main exhibit area has movable partitions and has a 280-foot arched span free of columns. The ceiling height is approximately 37 feet. He also added that there is space on the lobby roof for solar cell unit collectors to heat water for the building. Mr. Valentine then showed slides of these features. Mr. Igoe indicated that he had been working with Agency staff on the schematic design and had received their evaluation of the design and over the next few weeks would be responding to this critique.

Dr. Williams inquired if there would be an entrance for large trucks to go directly onto the floor of the exhibit hall, and Mr. Valentine pointed out the area on the wall renderings where he indicated any truck could enter, even the large semi-trucks. President Wexler inquired about the capacity of the roof, and Mr. Valentine indicated that it was capable of holding 300 lbs. per square foot dead weight and 310 lbs. per square foot live load. In discussions with staff it was indicated that it would be well to build in a potential of a higher level of load at certain points, but this would require extensive strengthening of the entire roof structure. It is believed that it will be more practical to provide additional bracing of the structure to provide extra capacity on thirty-foot modules. These would permit earth mounding up to five or six feet. These alternatives are still

SPECIAL APPEARANCES (continued)

being investigated.

President Wexler indicated that if it were possible to improve the load bearing capacity of the roof it would offer greater flexibility for development. He complimented the architects and engineers for making changes that had resulted in a total underground structure. He inquired what provisions had been made to accommodate concerts for sporting events, and Mr. Igoe responded that the greatest flexibility had been retained by keeping a clear span so that the area was adaptable to whatever use was desired. He indicated that in regard to acoustics, the architects had designed to enhance use of the facility for music. There was also the possibility of having certain types of sporting events, such as boxing, basketball, and tennis matches, depending upon the number of events competing for the space. It is designed for maximum flexibility from the design standpoint. He indicated that codes limited the number of people who could exit the building to 19,600 which imposed a limit on capacity.

Mr. Lee inquired what the total square footage of the exhibit hall was, and also if there should be two groups of exhibitors would there be movable partitions. Mr. Igoe responded that the exhibit hall consists of 275,000 square feet and if there were two conventions taking place at the same time, there is one movable partition so that the hall could be divided into three or four different configurations. If sufficient money is available after construction, more funds may be expended on the movable partitions.

Ms. Blomquist inquired if there were two pedestrian bridges, and Mr. Igoe responded that only one was planned and he was not certain whether another one could be built within the budget. Mr. Igoe indicated there was a need to provide access from the north and south block and the bridge provides a means of such access. The second bridge is now in the discussion stage. He noted that the bridge also provided additional space to be utilized since it had such a wide span. President Wexler inquired about height of the exhibit hall above the street level and Mr. Igoe responded it was twelve feet. President Wexler inquired if it was contemplated to lower this height, and Mr. Igoe replied there was no room for adjustment downward since it would require moving the entire structure underground which would be extremely expensive. At present, the team is working on an analysis whereby the convention center structure would be lowered three feet but it appears the cost will make it infeasible. President Wexler inquired about incorporation of the major utilities required for surface development in the space over the exhibition hall roof and urged that these be placed in such a manner that the roof elevation remains no more than twelve feet above Howard Street.

President Wexler thanked Mr. Igoe for the presentation and indicated that he was encouraged by the close cooperation between the architects, Chief Administrative Officer, and Agency, and believed this was a good indication the project would succeed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Last Wednesday, October 26, 1977, the Board of Supervisors Finance Committee considered the City's application for Community Development Block Grant funds including the Agency's CD budget. He noted that this necessitated certain budget revisions to the Hunters Point, India Basin Industrial Park, Western Addition A-2, and Yerba Buena Center budgets. The full Board of Supervisors considered the matter and approved it on October 31, 1977. Mr. Hamilton indicated that the major reduction was based on the Agency's advice to the Board of Supervisors Budget Analyst's Office and concerned \$311,000 from the total "interest" line item. This reduction was possible because lower interest rates have been obtained on Agency financing than estimated in earlier submissions. Another item was the reduction of \$80,000 in salaries in the Residents and Business Services Division at the Hunters Point and India Basin site office. The Budget Analyst's Office originally recommended to the Finance Committee that nine staff positions be cut for a total of \$167,000 but after testimony before the Finance Committee, Mr. Hamilton indicated that a compromise had been agreed to of a \$80,000 reduction in the Hunters Point 1978 budget. The third item under consideration by the Board of Supervisors was the adoption of the Classification and Salary Survey of the Redevelopment Agency prepared by the San Francisco Civil Service Commission. Mr. Hamilton indicated he would expand further on this item under 9(e) on today's agenda.
- (b) Mr. Hamilton indicated that Mayor George Moscone has announced the appointment of Ms. Charlott Berk as the new Commissioner replacing Mr. Kaplan, whose term has expired, and extended a welcome to her. Mr. Hamilton noted that this ended nineteen years of service to the Agency by Mr. Kaplan during which he had served as Chairman of the Agency for ten years. Mr. Hamilton expressed his personal pleasure at having worked with and for Mr. Kaplan while serving as a Commissioner and then later as Executive Director.

In appreciation of Mr. Kaplan's service, President Wexler requested Mr. Kaplan to assume the Chair for the first agenda item as an expression of the high esteem in which Mr. Kaplan is held. President Wexler indicated that Mr. Kaplan had performed an important service for an agency that was often involved in controversial issues by the very nature of its programs and that he had earned a well-deserved rest from that standpoint. He emphasized the diligence and integrity with which Mr. Kaplan had served. President Wexler indicated that Mr. Kaplan had also been of great personal assistance to himself when consulting him for advice during this first year on the Agency and if there were such a position as Commissioner Emeritus, Mr. Kaplan should be the one to attain it.

In taking official note of Mr. Kaplan's position, Mr. Hamilton indicated there were some ways of memorializing him for the City's posterity and Mr. Hamilton thereupon presented Mr. Kaplan with the street sign for Kaplan Lane, located between Folsom, Howard, Third, and Hawthorne Streets. Mr. Kaplan thanked everyone for the honor and for the opportunity of serving the Agency. He indicated that there had been many problems which had been solved in good ways for some and in bad ways for others, but he believed he had done his best during those nineteen years and wished the Agency and his successor well. He indicated his enjoyment of having served with the group,

PORT OF THE EXECUTIVE DIRECTOR (continued)

although an extensive absence had been necessary in the earlier part of the year while he served on jury duty. He indicated pleasure in chairing the first agenda item particularly because while Agency Chairman he had participated in starting the development of the India Basin Industrial Park Project and noted that Stan Jensen had worked very hard to bring the project to fruition and he was now pleased to see nearly all of the land there either sold or about to be sold.

BUSINESS

- (a) Resolution No. 220-77 designating the United States Postal Service as the redeveloper of Parcel B-3 and authorizing the Executive Director to execute a letter of intent in connection therewith, India Basin Industrial Park Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item represented authorization to execute a "Letter of Intent" between the Agency and the United States Postal Service (USPS) and designation of the USPS as a developer of the 32-acre site in India Basin Industrial Park, bounded by Evans Avenue and Cargo Way, off Newhall Street, to build a general mail facility to serve San Francisco, San Mateo, and Santa Clara counties. The fair reuse value is \$2,439,360, or \$1.75 per square foot. A 750,000 square foot concrete tilt-up building will be constructed for the main activities, and an additional structure to be used to maintain vehicles. It is anticipated that opportunities will be provided since the labor force of 4,200 people has a job turnover of 350 annually. The facility will operate on a 24-hour basis and the Agency and Postal Service will be mutually involved in providing job opportunities through training programs that will prepare community residents for civil service examinations. Mr. Hamilton indicated the facility should have a major impact on both India Basin and Hunters Point projects. Mr. Hamilton indicated that the Letter of Intent provided the Regional Postal Service with the necessary allocation of land to present the project to the Board of Governors in Washington at its next meeting in January 1978. It is also necessary to insure the Postal Service that it can begin to design the proposed facility and develop construction estimates necessary for the Board of Governors to make its determination. Both the Agency and Postal Service will enter into a land disposition agreement prior to March 15, 1978, for if not entered into by that date or one mutually extended, the Letter of Intent will expire and the Agency will be free to dispose of the land as it deems fit.

Mr. Leo E. Borregard, Agency General Counsel, indicated that there had been some question about the Letter of Intent shortly before coming to this meeting and he was pleased to indicate that with the cooperation of the Postal Service representatives who were present, the issue had been resolved. Essentially the change indicates that if an agreement under the terms and conditions set forth in the Letter of Intent are not approved by the Commissioners and executed by the Agency and the Postal Service on or before April 15, 1978 then designation shall terminate. In effect the date of March 15 is changed to April 15, 1978, and this change is also to be reflected in the resolution in its last paragraph.

In regard to the Letter of Intent there are also changes which may be noted relative to the question of street trees. There was concern on the part of the Postal Service relative to its ability to obligate itself to maintain the trees. The staff recommends leaving this matter to be negotiated later so the letter would also be changed to read that the Postal Service and the Agency contemplate negotiations for the matter of maintenance of the street trees sur-

W BUSINESS

rounding the site and common areas. Chairman Kaplan inquired if staff recommended these changes, and Mr. Hamilton concurred. Mr. Wexler moved that the resolution, as amended, and the Letter of Intent, as amended, be approved.

ADOPTION: It was moved by Mr. Wexler, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted, as amended.

President Wexler resumed the Chair, and Mr. Kaplan indicated that if anyone had questions, he could be contacted and was always available. Mr. Borregard indicated his personal thanks to the gentlemen from the Postal Service who were present and who had worked out the changes on short notice and introduced them as follows: Warren Branscum, General Manager of USPS Real Estate Division, Western Region, San Bruno; Jim Schultz, Assistant General Manager, USPS Real Estate Division, San Francisco; Jeff Wilson, Director of Customer Services, USPS, San Francisco; and William Chapp, Acting Regional Director of Real Estate and Buildings, USPS, San Bruno.

President Wexler indicated that the Commissioners were looking forward with pleasure and eagerness to the opportunity of providing jobs through the project. Mr. Branscum thanked the Commissioners for their action. Mr. Hamilton indicated that there was one other person on the staff who should be recognized for his part and referred to Mr. Richard Marshall, Business Development Specialist. Mr. Marshall in responding to Mr. Hamilton's inquiry, indicated he had been working on the post office matter for two years.

- (b) Resolution No. 224-77 approving the leasing of Parcel A-3 by Morgan Equipment Company to Harold Morgan, India Basin Industrial Park Approved Redevelopment Project Area.

Mr. Hamilton indicated that this concerned approval of a ground lease for a period of thirty-five years' duration between the developmental entity Morgan Equipment Company, and Harold Morgan, President and founder of the company. This lease is required by the developer for tax purposes and since it does not violate any of the Agency's antispeculation policies, approval is recommended. The lease stipulates that Harold Morgan as an individual will assume all of the obligations of redeveloper with respect to construction of the improvements, and upon completion of these Mr. Morgan will lease them back to the Morgan Equipment Company for a period of fifteen years. In reply to Mr. Lee's question, Mr. Borregard indicated that there was no violation of the antispeculation policies of the Agency since there is no money involved.

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 225-77 authorizing the Executive Director to amend a contract, adopted June 7, 1977, with Richard Gryziec, Architect/Planner, for services in Yerba Buena Center Approved Redevelopment Project Area D-1; and increasing the maximum amount of compensation and hourly rates for subconsultants.
- (d) Resolution No. 226-77 authorizing the Executive Director to amend the contract adopted July 26, 1977, with Richard Gryziec, Architect/Planner, for services in Yerba Buena Center Approved Redevelopment Project Area D-1, and Increasing the hourly rates for subconsultants.

Mr. Hamilton requested and received permission to consider both these items together. The first concerns amendment of the June 7, 1977 contract with Mr. Richard Gryziec, Architect/Planner, to provide an increase in the maximum

BUSINESS (continued)

compensation from \$11,000 to \$14,750. The \$3,759 will continue Mr. Gryziec's services while design issues are resolved on the exhibit hall. Both resolutions amend both of Mr. Gryziec's contracts with respect to payment of subconsultants and permit payment at direct cost, not to exceed \$40 per hour, rather than the presently specified hourly rate of \$20. Mr. Hamilton requested Mr. Ed Ong, Chief of Architecture, to comment on the amendment and Mr. Ong indicated that the contract approved by the Commissioners in June was with Mr. Gryziec to provide input for the Environmental Impact Report being prepared for Yerba Buena Center, and to provide coordinating services with the exhibit hall architects, Hellmuth, Obata and Kassabaum, to coordinate the surface development concepts with the exhibit hall design. The second contract which the Commissioners entered into with Mr. Gryziec in July was to assist the Economic Research Associates to develop the project concept for a pleasure park development that could be marketed. The request to amend the amount of compensation relates to the first contract, and approval is recommended to achieve maximum coordination between the proposed surface development and it would be useful to have Mr. Gryziec continue his services until these are resolved. The \$3,750 requested is adequate to provide additional services. Mr. Ong indicated that the second part of the request is an amendment to the agreements with Mr. Gryziec. The original contract stipulated that subconsultants would be compensated at the maximum of \$20 per hour and Mr. Gryziec has found that he needed to seek advice of technical subconsultants who are basically compensated at a rate higher than \$20 per hour. It is requested that the contract be amended to pay these costs at direct cost not to exceed \$40 per hour and to retain these consultants.

ADOPTION: It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that these resolutions be adopted.

- (d) Resolution No. 221-77 establishing classifications of positions and compensation for the Agency staff and establishing the authority for appointment to and vacation from positions under said classifications and other related matters.

This item concerns salary recommendations which consider the recommendations of the Civil Service Study that are realistic. There will be 31 positions which will have dual rates of pay applicable to new employees after October 31, 1977, and nine classes are to be deleted. One new class will be added of Assistant Director of Community Services, one class will be retitled, and two classes are to be adjusted upward. Mr. Hamilton indicated that this resolution represents staff's recommendation for establishment of salaries which grew out of its analysis of the Civil Service study and an evaluation of staff functions. He noted that the Civil Service study was the subject of considerable discussion by both the Board of Supervisors' Finance Committee and the full Board of Supervisors during their consideration of the Community Development Program. During those hearings the Board of Supervisors' Budget Analyst recommended that the Civil Service report be adopted in its entirety. After extensive discussion the Board had placed the \$54,000 that the adoption of the report would save in contingencies and had referred the matter to the Agency for its action allowing two weeks' time to formally advise the Board of the Agency's action on the issue.

Mr. Hamilton indicated that the material before the Commissioners reflected on some of the Civil Service recommendations with which the Agency was in agreement but there were also others that the staff disagreed upon. He emphasized that there were major differences between City and Agency staff and noted that the Agency performs many activities that are not carried out

BUSINESS (continued)

by any other City Department. These include provision of professional services in relocation, housing management, and marketing and business development. There is also an overriding inequity existent in that Agency positions have no job tenure so that no real assurance of continued employment exists. Mr. Hamilton also indicated that the Civil Service report recommended setting salaries for top management positions through comparison with similar jobs in the Los Angeles Community Redevelopment Agency and therefore recommended a salary decrease because the Los Angeles Agency has not had an increase since the start of the new fiscal year of July 1, 1977. In contacting the Los Angeles staff, Mr. Hamilton indicated that they would be instituting salary increases early in November retroactive to July 1 and it appears that the average increase will be approximately 5 to 6 percent; therefore, freezing Agency salaries based on Los Angeles current salary levels is unjustified. Mr. Hamilton indicated that the proposed salary revisions have been discussed with the union whose representatives will comment upon it. Mr. Hamilton stressed that the proposed resolution does not include action on establishing new classifications or deletion of any classifications currently under discussion with the union and these will come before the Commissioners after these appropriate discussions have been concluded.

President Wexler asked if the union representatives had comments to made in addition to those presented in the executive meeting of October 25, 1977. Ms. Shirley Wysinger came forward and indicated that Mr. Bill Bradley of Local 400 was present. She indicated her understanding that the salary resolution includes certain deletions with which the union concurred and that others currently being discussed were not reflected in the proposed action. She indicated concern that Mr. James Nybakken, Personnel Officer, had mentioned that the Commissioners were considering freezing people at particular levels and she inquired what this meant. President Wexler indicated that the resolution being considered dealt only with establishing the appropriate salary level and if adopted then the Commissioners will consider how it is to be implemented.

Mr. Bill Bradley of Local 400 came forward and indicated that the union had been supportive of the Agency in retaining the Commissioners' prerogative for setting the staff salaries. Although the union was not pleased with all of the contemplated recommendations, it basically supported the action. He indicated that the union's agreement did not preclude its right to represent the union members and to continue working to upgrade their job opportunities and working conditions. He also noted that he would like to meet with staff to discuss proposed implementation.

ADOPTION: It was moved by Mr. Kaplan and seconded by Mr. Lee that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Mr. Kaplan
Mr. Lee
Dr. Williams
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

BUSINESS (continued)

and the following abstained:

None

The President thereupon declared that the motion carried.

President Wexler indicated that he believed that implementation of the dual salary classifications that had just been adopted could take three options: (1) immediately to reduce the salaries of incumbents, (2) to freeze present salaries until equal to the salary level for new employees and (3) to exempt current staff from any impact of the salary resolution.

MOTION: It was moved by Mr. Kaplan and seconded by Me. Lee that the salaries with dual comparables be frozen until equal to that for new employees in the classification.

Mr. Kaplan indicated that under this proposal no incumbent would be reduced.

Mr. Bradley indicated his opposition to the motion since in his opinion it had never been contemplated during discussions on the issue. He urged that union representatives be given an opportunity to discuss this proposal.

President Wexler indicated that the Commissioners had adopted the new salary schedule and it was now necessary to determine how it would be implemented for incumbents. He again noted that it appeared the Commissioners had only three options which were (1) reduce the incumbents' salaries immediately to the new lower level for that classification, (2) protect the incumbent by freezing him at a salary which is currently higher than that approved for the position, or (3) treat the incumbent as though there was no effect upon him as long as he is with the Agency. He emphasized that the Commissioners had chosen to protect the incumbent from any reduction of salary and the motion before the Commissioners proposes this. Ms. Blomquist inquired when this would go into effect, and President Wexler indicated that it would be until the salary range for a new employee and an incumbent employee were equal. An incumbent would continue to receive the higher pay but not have cost-of-living increases until the salaries are equal.

Mr. Bradley indicated that he had not understood from reviewing the resolution that incumbents would be frozen and noted his belief it would involve an extensive time period for incumbents to catch up.

President Wexler responded that the resolution was not intended to propose an implementation procedure. He believed that Mr. Bradley wished the Commissioners to adopt the third option which would make no changes at all for incumbent staff. Mr. Bradley affirmed that it was his understanding there would be no effect on employees and that the union was not advised of any proposal to freeze salaries. He believed time should be allowed for discussion of this new issue and he did not believe incumbents should be adversely affected. He urged the Commissioners not to adopt the motion.

President Wexler indicated that Mr. Bradley was not at the previous meeting last week but the issue was discussed regarding freezing of salaries, however no action was taken. Mr. Bradley indicated that he was led to

believe incumbents would not be adversely affected and on that premise the union agreed to support the Agency's position. Mr. Bradley indicated that the union may have altered its position had it been contemplated that salaries would be frozen. Mr. Hamilton indicated that staff recommendations as originally forwarded to the Commissioners remained unchanged and urged that the action have no adverse effect on incumbent employees.

Mr. Hamilton indicated that the staff recommendation was before the Commissioners but they would act as they believed best for the Agency and noted that Mr. Bradley knew a staff could not bind its governing board.

Ms. Shelley indicated that she needed further information and asked what effect there would be if the Commissioners were to delay action on this motion until the following week since the union was concerned about the Commissioners' proposal and stressed that she did not wish to catch the union representative off guard. She indicated her pleasure at seeing the cooperation which had taken place between the Agency and the union on the major motion before the Commissioners. On the question of implementing the salary resolution by freezing salaries with dual comparables, a motion to table would require a two-thirds vote.

MOTION: It was moved by Ms. Shelley and seconded by Dr. Williams that consideration of the salary schedule be delayed for one week, and on roll call the following voted "Aye"

Ms. Shelley
Dr. Williams

and the following voted "Nay":

Ms. Blomquist
Mr. Kaplan
Mr. Lee
President Wexler

and the following abstained:

None

The President thereupon declared that the motion failed.

President Wexler indicated that the motion to adopt the resolution was before the Commissioners.

MOTION: It was moved by Mr. Kaplan and seconded by Mr. Lee that Resolution No. 221-77 establishing classifications of positions and compensation for the Agency staff and establishing the authority for appointment to and vacation from positions under said classifications and other related matters be implemented effective October 31, 1977 with incumbent employees in dual salary classifications to receive no increases until a parity has been established between the positions in those classifications with dual comparables, and on roll call the following voted "Aye":

W BUSINESS (continued)

Ms. Blomquist
Mr. Kaplan
Mr. Lee
Mr. Wexler

and the following voted "Nay"

Ms. Shelley
Dr. Williams

and the following abstained:

None

The President thereupon declared that the motion carried.

Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, came forward and indicated that she wished clarification on the motion and inquired if staff was to receive step increases but not cost-of-living increases, and President Wexler answered affirmatively.

President Wexler again expressed the pleasure and appreciation of the Commissioners in having worked with Mr. Kaplan and wished him well. Mr. Kaplan left the meeting at 6:10 p.m.

- (f) Consideration of conditions for State Historic Preservation Grant Application for the Goodman Building parcel, Western Addition Approved Redevelopment Project Area A-2

Mr. Hamilton indicated that this represented a request by the Goodman Group for consideration of an application for a State Historic Preservation Grant of \$15,000 subject to certain conditions which included the following:

(1) the proposed State contract must be satisfactory to the Agency, meaning that the Agency would be able to hold the grant money without any obligation and have the right to return it without any obligation; (2) any application should spell out the Agency's intentions and its contractual requirements; (3) if the presently designated developer, Alan Wofsy and Associates, presents an acceptable final development package to the Commissioners which does not call for the use of the grant funds, they will be returned to the State; (4) if Mr. Wofsy does not present an acceptable development package to the Commissioners the Agency will hold the grant funds until a newly-designated developer indicates its acceptance or refusal of the grant funds and the obligations accompanying the use of the funds, time constraints permitting. (Mr. Hamilton indicated, however, that the State advised the staff today that its evaluation was that the Agency could not hold the money for a future developer because some of the grant money must be spent by next summer.); (5) the Agency would require a complete disclaimer from the Goodman Group as to any claim or interest in the grant or its use; (6) the Agency will, as the owner and only eligible recipient of the grant funds at the present time, gather and submit all necessary information and data for the application that it alone considers pertinent and applicable, given the conditions spelled out above; and (7) input is required from Mr. Wofsy in order to process the application since a specified use of the money must be set forth. Mr. Hamilton noted that it should be reported that Mr. Wofsy

BUSINESS (continued)

has clearly stated that he is opposed to Agency application for the grant based on his main concern that there is a 30-year administration and maintenance obligation which accompanies the grant, and his reluctance to be linked in an way with the Goodman Group through use of funds applied for through their initiative, particularly when it concerned the relatively small sum of \$45,000.

Agency General Counsel Leo Borregard indicated that he had had a conversation with Ms. Marian Mitchell-Wilson of the State Historic Preservation Section of the State Department of Parks and Recreation relative to the grant and it was clear from those discussions that the Agency was to be the required applicant of the grant and that the use of the funds must be specified. Mr. Borregard indicated that any change in use of the pending grant application filed by the Goodman Group would require filing a new application and both the State and National Park Service would have to approve it, therefore, they discouraged any changes in use. The State was also interested in looking at a time schedule for the use of the funds indicating that they wished the monies to be expended within six months after a contract was signed. The State was concerned about giving the grant which may not be used or possibly held for a prolonged period, because it believed there were other worthy restorations on which the grants should be expended.

Mr. Borregard indicated that the exact intentions for use of the funds would have to be specified for the State. Mr. Hamilton indicated that based upon the research and evaluation of staff, it is recommended that the Agency not apply for this grant. He indicated that the Agency was concerned about the preservation of historic buildings and believed that it appeared Mr. Wofsy was the developer most likely to restore the building, but acceptance of the grant is not a condition of his developer designation and should not be imposed upon Mr. Wofsy at this time. Mr. Hamilton indicated that acceptance of a grant could prejudice an application for a future grant application.

President Wexler inquired if anyone from the Goodman Group wished to comment. Mr. Mike Bonner, attorney for the Goodman Group, came forward and indicated his disappointment in the Agency's recommendation. He indicated that he believed the Agency could best express its concern about preserving the building by applying for the grant. He also expressed concern that Mr. Wofsy's plan is designed to change the nature and character of the building and alleged that by not accepting the grant the Agency was abdicating its responsibility. President Wexler indicated that the subject had been discussed thoroughly and the Commissioners were familiar with the viewpoint of the attorney representing the Goodman Group. He indicated that the Agency had requested staff to evaluate the requirements for grant application and determine if the Agency could accept the money knowing that a commitment existed with Mr. Wofsy who at the previous meeting had stated that he was not interested in the grant. President Wexler stressed that Mr. Wofsy was one of the two developers who submitted complete proposals by the established deadline and that the Commissioners had designated him as the qualified developer.

President Wexler indicated that in the event Mr. Wofsy's proposal did not go forward, the Agency had attempted to find a basis to accept and hold the grant funds in case some other developer would want them, but Mr. Borregard

W BUSINESS (continued)

has just advised the Commissioners that this approach would remove the money from other people who were interested in having the grant money and that the Agency could not hold the monies without using them. He noted that the Agency is in no way prevented from submitting an application if some future developer desires to use the grant money. President Wexler indicated that the Commissioners' consideration is only a question of application for the grant. Mr. Bonner indicated that the Agency owned the building and could apply without Mr. Wofsy's consent and President Wexler responded that the Agency was only the temporary owner and since it had designated Mr. Wofsy as the developer the question is now within Mr. Wofsy's purview as to what he wished to do concerning the grant. Mr. Wofsy has committed himself to preservation of the Goodman building, which will be made available to artists living there. He also noted that the proposal by Mr. Wofsy will use HUD Section 8 funding so that it makes no sense to also apply for money from the State.

Mrs. Martha Senger came forward and indicated that she was aware of the legal ramifications surrounding acceptance of the grant but she believed this was a subjective interpretation and it was her understanding that the money could be accepted, kept and later returned. She believed there was a period of time between now and September of next year where the money could be returned if it was not used. President Wexler indicated that the Agency was a public agency and had an obligation to act in openness and good faith and to submit an application for funds it does not anticipate using and thus deprive other developers of the funds would be a dishonesty he could not condone. Mrs. Senger indicated her belief that this placed the Goodman Group in a difficult situation since within two months the Agency will know whether Mr. Wofsy can proceed with his proposal. She alleged that Mr. Wofsy was in trouble with his Section 8 funding and that she believed there was much concerning his proposal that was not being brought out into the open. She claimed that Mr. Wofsy was not meeting with the tenants and warned that this may contribute to his not receiving his money. She also indicated that the Environmental Impact Report would preclude any changes in use of the building, and that the grant money should be accepted now and held until January 8, 1978 to see if Mr. Wofsy's proposal fails, or be used to repair the roof of the building. President Wexler inquired if there were other members of the Group who wished to speak.

Mr. Donald Turner came forward and indicated that he was a prospective member of the Goodman Group and that the Goodman Group Housing Development Corporation would like to suggest that the grant could be used to repair the building and he could see no possible harm accruing to a developer or the building if this were done. He questioned that if the Agency were serving a public interest it was difficult to see how it could turn away this financial resource. He indicated that the Agency had intimated that the grant would have to be imposed upon Mr. Wofsy and, in his judgment, the grant would not preclude Mr. Wofsy's completing his proposal. He also indicated that it had been noted that the money would go to other worthy applicants if it were refused, but in his opinion the State had evaluated many worthy causes and had decided to give the money to the Goodman Group, and therefore the building was considered the most worthy. He urged that the money be accepted to repair the building and reiterated his belief that it would not harm Mr. Wofsy or any other developer.

BUSINESS (continued)

Mr. Irwin Mussen, representing the Goodman Group Housing Development Corporation, came forward and indicated that Mr. Turner had been responsible for preservation of over seventy buildings in New York City and hoped to do the same here. He noted that the building needed not only roof repair but also repairs to the foundation, plumbing, electrical, and skylights, all of which could be done without disturbing the developer's plan. He indicated concern that Mr. Wofsy had refused to meet with the Goodman Group and others, including himself, to discuss any grant without setting his own conditions for such a meeting; therefore, Mr. Mussen concluded that Mr. Wofsy was not interested in that community of artists in the Goodman building, nor in preserving the character of the building.

Mr. Bonner came forward and indicated that the City had brought suit with the Agency to perform repairs and alleged that the Goodman Group had made these repairs out of its own pocket.

President Wexler observed that it appeared there was a new direction being taken. Last week the Goodman Group had wanted the grant funds applied for and held but now it wanted the funds spent on repairs and he asked if staff wished to respond. Mr. Hamilton replied that further clarification could be sought from Mr. Borregard, however, he believed that to spend money for repairs incurs a thirty-year maintenance and administrative obligation and a question arises as to whom the grant transfers after the money has been accepted and used and the analysis presented ignores that condition. President Wexler concurred noting that this would place the Agency in an impossible position of using the grant and being committed to a developer who did not want it and did not want to assume responsibility for the building over that thirty-year period.

Mr. Bonner could see no harm concerning the preservation of the building and urged the Agency to assume this obligation since it was the owner, and President Wexler indicated that the Agency wishes to preserve the building for artists at rents they can afford to pay and to rehabilitate the building but it was not in a position to impose this grant upon the designated developer against his wishes.

President Wexler stressed his belief that it would be inappropriate for the Agency to institute anything which will undermine the designated developer and noted that Mr. Wofsy has fulfilled the requirements of the proposal. He emphasized that the grant would place the Agency in the untenable position of asking the State for money that is to be held and not used, or else is used and committed for thirty years for property that the Agency will not hold for that long. President Wexler indicated that the Agency could not do this in good conscience. He noted that the Agency had refrained from offering the property to provide an ample opportunity for either Mr. Mervyn Goodman or the Goodman Group to develop a proposal if either met the criteria as developers and now the rules cannot be changed to permit consideration of another development entity at this time.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and indicated that WAPAC had made its position known by urging acceptance of the money. It appeared that the Agency refused to accept the money without Mr. Wofsy's commitment; however he believed Mr. Wofsy should

BUSINESS (continued)

be present to comment, either today or at last week's meeting. Mr. Lee indicated Mr. Wofsy had attended the previous meeting and had indicated that he did not want to accept the funding. Mr. Townsend inquired what would happen if Mr. Wofsy could not complete his proposal since this is an unknown factor at this time. He also commented on the alleged difficulties the Goodman Group had had in meeting with Mr. Wofsy although he noted that the developer did meet with WAPAC. He could see no reason why the money could not be accepted.

President Wexler indicated that Mr. Wofsy was present at the last meeting and had opposed acceptance of the money because there would be a risk in imposing conditions upon the developer that he is unwilling to accept. He noted that the proposals had been put out to bid and only two had been received. He recalled that WAPAC had recommended Mr. Wofsy as the developer, and again noted that it was not desirable to take action that would inhibit a designated developer.

Mr. Townsend indicated that he was unable to understand why Mr. Wofsy did not want the funding.

Dr. Williams indicated his concern about the key word "inseparability" in connection with the grant since if the Agency accepted the \$15,000 grant as a result of the Initiative of the Goodman Group then this would become inseparable from the Goodman Group. In his opinion there was more than sufficient time allotted to the Goodman Group to develop a proposal for the building and he believed that if it had been serious it could have submitted a proposal of its own; therefore, the Agency had no choice but to proceed with the designated developer. He reaffirmed the Commissioners' intention to preserve the building and noted that it needed repairs, but a developer had submitted a proposal to achieve this objective. He also noted that the Agency had preserved other buildings of historic character in the project areas and expressed the fear that developers may be driven away because of harassment. In his opinion, \$15,000 was not a significant sum for the risks it incurred and he noted if the building needed repairs it would be better for the Agency to take that up as a separate matter and use its other funds for repairs.

MOTION: It was moved by Dr. Williams, seconded by Mr. Lee, that the Agency not apply for the \$15,000 grant from the State Historic Preservation Section of the California Department of Parks and Recreation, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Lee
Dr. Williams
Mr. Wexler

and the following voted "Nay":

None

BUSINESS (continued)

and the following abstained:

None

The President thereupon declared that the motion carried.

JOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 6:50 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

DEC 9 1977

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF NOVEMBER 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of November 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following was absent:

Dr. Hannibal A. Williams
Walter F. Kaplan

The President declared a quorum present.

President Wexler welcomed Mr. Glickman back from his vacation.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); Paula Collins, Office of the Chief Administrative Officer of the City and County of San Francisco; Richard Cole, Environmental Science Associates; Maria Galatti, Friends of the Tivoli Gardens Park; Richard Grysiec, Architect/Planner; Sam Herzstein, Terminix of Northern California, Inc.; and Isaac P. Guillory, Hargil Construction Company, Inc.

Representing the press were Don Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Regular Meeting of October 25, 1977, as corrected and as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the Executive Meeting of October 25, 1977, as distributed by mail to the Commissioners be approved. It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Executive Meeting of November 1, 1977, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel HH-2, Hunters Point Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel HH-2, Hunters Point Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The discussion on the Jerry Levitin issue is again before the Board of Permit Appeals. He has requested a rehearing on the site designated for development by BRB Homes in the Diamond Heights Redevelopment Project Area. The request is to be heard November 9, 1977.
- (b) The Coalition in Support of Nihonmachi Tenants has appealed issuance of the demolition permit for 1869 Buchanan Street. The hearing will also be before the Board of Permit Appeals and has been set for November 16, 1977.
- (c) An environmental issue challenging the Stockton/Sacramento Project has been resolved in the Agency's favor by the Court. The issue pertained to whether the Agency or the City Planning Department was to be designated as lead agency for the Environmental Impact Reports and the decision clearly stated that the Agency is the lead agency.

Ms. Blomquist and Mr. Lee inquired what the next steps would be in that project and Mr. Hamilton responded that an appeal of a conditional use permit was to be considered by the Board of Supervisors and must be resolved before the project can proceed. Mr. Lee inquired how long that would take, and Mr. Ed Ong, Chief of Architecture, indicated that a decision was expected within the next four weeks and will necessitate a hearing before the Board of Supervisors. President Wexler indicated that he was encouraged to see the project moving forward because it was one of concern to both community and Agency.

UNFINISHED BUSINESS

- (a) Resolution No. 219-77 awarding contract for pest control services, all projects, to Terminix of Northern California, Inc.

President Wexler indicated that as a point of personal privilege, since the Terminix of Northern California, Inc. firm was a client of his firm, he would not take part in the action and would step down from the podium. President Wexler turned the Chair over to Acting President Shelley and left the podium.

Ms. Shelley requested Mr. Hamilton to comment on this proposed action. Mr. Hamilton indicated that this item had been held over from the October 25, 1977 meeting and concerned award of a one-year contract for pest control services for Agency-owned buildings to the sole bidder, Terminix of Northern California, Inc., for \$22,620. He indicated that efforts to solicit bids were made by advertising the contract in seven newspapers and by direct mailing to thirty-four firms. Mr. Hamilton indicated that Terminix has been performing satisfactory service for the Agency since January 1977 at an hourly rate of \$1.40 since January 1977; however the new rate will be \$1.45, which is reasonable. The firm also has a positive affirmative action program and has successfully trained community employees and retained them on its payroll. Mr. Hamilton indicated that in calling other firms to ascertain their lack of interest in bidding, it was learned that the affirmative action requirements of the contract deterred these firms from submitting bids on this work. Mr. Lee indicated he would move to award this contract but suggested that staff investigate the possibility of a multiyear contract at the termination of Terminix's contract which could act as an inducement or motivation to other firms to train people from the community. Ms. Blomquist concurred in this suggestion.

UNFINISHED BUSINESS (continued)

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist and unanimously carried that this resolution be adopted,

President Wexler resumed his seat at the podium.

NEW BUSINESS

- (a) Resolution No. 227-77 approving the disposition price and method of sale; authorizing the execution of conveyance instruments; and ratifying and confirming publication of a notice of public hearing all in connection with the sale of Parcel HH-2 to the Housing Authority of the City and County of San Francisco, Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton indicated that this was the subject of the public hearing just held and concerns disposition of a fragment parcel to the San Francisco Housing Authority for use as a driveway to its offices in the Hunters Point area. The parcel is an unbuildable slope already bisected by a 25-foot wide Pacific Gas and Electric Company easement and the fair reuse value is set at \$50 subject to concurrence by the Department of Housing and Urban Development (HUD).

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 228-77 authorizing extension of time for submission of evidence of mortgage financing as set forth in the disposition agreement in connection with the sale of Parcel 1100-F, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this item concerned a six weeks' extension of time for the designated developers, Guillory and Harrington, from November 18 to December 31, 1977 to permit completion of construction drawings for an 18-unit apartment building to be constructed at the southwest corner of Divisadero and O'Farrell Streets. Mr. Hamilton indicated that these developers had been designated on June 21, 1977 and staff anticipated no further delays. The partnership currently has 15 units under construction in the Western Addition A-2. Staff has reviewed the drawings and is pleased with their quality and recommends approval of the requested extension.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

Mr. Hamilton indicated that there were two off-agenda items to be considered prior to Item (c) on the agenda because Item (c) is a presentation which will take place in the fourth floor conference room. President Wexler suggested consideration of the off-agenda items at this time.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of authorization for early pay for Thanksgiving Day

Mr. Hamilton indicated that this year the last payday in November will fall on the Friday following Thanksgiving Day and noted that many employees will be extending this time to a four-day holiday. In order to insure that the holiday can be observed in a suitable manner, staff requests approval to make an earlier payment of that paycheck on Wednesday, November 23, 1977 immediately preceding Thanksgiving Day.

MATTERS NOT APPEARING ON AGENDA (continued)

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the paychecks that would normally be issued to staff on November 25, 1977 be issued earlier on November 23, 1977 immediately preceding Thanksgiving Day.

President Wexler expressed the wish that everyone have a happy Thanksgiving Day.

(b) Resolution No. 229-77 travel authorization.

Mr. Hamilton indicated that he had been requested by the President of the National Association of Housing and Redevelopment Officials (NAHRO) to attend a meeting of the special task force on community development regulations for the purpose of responding to HUD's request for comments on the regulations concerning eligible activities, entitlements, grant application requirements, and urban development action grants. The meeting will take place in Washington, D.C., November 14 to 15, 1977.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and requested that Mr. Hamilton also permit WAPAC to have input on the position he took on the proposed regulations and Mr. Hamilton indicated he would be pleased to be informed of WAPAC's proposals.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the meeting be recessed to the fourth floor conference room for consideration of Item (c). The meeting adjourned at 4:40 p.m.

he regular meeting of the San Francisco Redevelopment Agency reconvened at 5 p.m. All ommissioners of the Agency, certain staff, press representatives, and interested citizens are present.

EW BUSINESS

(c) Presentation of proposed surface uses in area bounded by Third, Fourth, Folsom, and Mission Streets, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that Mr. Richard Gryziec would present a progress report on his work in identifying and evaluating alternative concepts for urban recreational uses in the Central Blocks of Yerba Buena Center which have been developed in conjunction with studies by Economics Research Associates.

Mr. Gryziec indicated that he would make a brief presentation of the different concepts and criteria for determining the proposed uses, present a brief slide show illustrative of these uses, and then Mr. Richard McElyea, Economic Research Associates, would comment on the studies made by his firm. Mr. Gryziec began by noting that the Tivoli Gardens were used as a basis for his conceptual studies and indicated that this 20-acre development in a downtown setting has 63 percent open space. It is a mixture of entertainment uses ranging from

NEW BUSINESS (continued)

amusement attractions for children and adults and cultural activities to commercial uses which primarily consist of restaurants. There are 400,000 square feet of building space in low-rise structures in Tivoli Gardens in which approximately 3,200 persons are employed. The operator leases the land, pays taxes, and realizes approximately \$.5 million profit annually. There are 550 million visitors to the Gardens each year and studies show that 75 percent of these are residents of Copenhagen. He indicated the entry points into the Gardens which are limited to four and noted that people using the facilities paid a 40- to 60-cent entry fee. Mr. Gryziec then contrasted the potential of the proposed Yerba Buena Center site which would permit development of a pleasure park 12-1/2 acres in size and require a 60-percent use of the land to house the proposed activities. He noted that if the surface of the entire site could be made available the park would have an area of from 20 to 21 acres but this would necessitate moving the apparel mart to another location and designing the lobby entrance to the exhibit hall in such a way as to integrate it into the pleasure park. Mr. Gryziec then indicated on charts his studies of the people in the area living within a five- to ten-minute walking distance from the site.

Mr. Gryziec also indicated on charts the transit service facilities available for bringing people into the area and the parking available for those coming by private automobile. In response to President Wexler's inquiry, Mr. Gryziec indicated that the 1,200-space parking garage proposed by the Mayor's Select Committee on Yerba Buena Center would further supply spaces available for those using the pleasure park. He noted that in addition there was on-street parking capacity during the evenings and weekends which was not now being used. In addition to the residents within walking distance and visitors who could be expected to arrive by public transportation, Mr. Gryziec commented on the number of out-of-town visitors that San Francisco has on a year-round basis. Mr. Gryziec also noted sites on the plan which would compliment the development of the pleasure park. These include a hotel, commercial and office uses. He indicated that the weather condition in the area is generally sunny, although there is some afternoon wind which could be an inhibiting factor to unprotected outdoor uses. He stressed his belief that the site was usable on a year-round basis, but that it would need wind and fog protection which could possibly be supplied by wind screens, canopies, trees, and heat lamps.

Mr. Gryziec indicated that during the development of these concepts he had met with numerous local neighborhood groups to determine the uses that they believed would be appropriate and the elements that they did not want included. He noted that concerns seemed to focus on safety for the users of the area, the possibility of having high-priced commercial uses which would serve only tourists, and the development of the area under the auspices of one large operator resulting in the park not being well run. He noted these groups favored having a development which had a park-like setting with sufficient parking and uses oriented to city residents.

Mr. Gryziec then indicated that the studies had resulted in essentially two main concepts: a Yerba Buena Gardens based on a Tivoli Gardens-type development and primarily a "market place" development which has proven successful, both in Los Angeles and Boston. Mr. Gryziec noted the representative uses proposed for the Gardens, such as a DeYoung Downtown Museum, restaurants, entertainment such as theaters, an ice rink, a Sesame Street-type children's park, dance pavilion, and shops. Mr. Gryziec then showed, through the use of slides, illustrative types of development which he hoped could be achieved in this area.

NEW BUSINESS (continued)

Mr. Richard McElyea of Economic Research Associates (ERA) then commented on the studies done by his firm. He noted that in this first phase of ERA's work the firm had worked with Mr. Gryziec and the Agency in developing appropriate concepts for the Central Blocks and in defining these concepts sufficiently to permit analysis of the feasibility of these proposals. He noted that if the pleasure park were developed on the entire site, exclusive of the apparel mart, 60 percent of the site could be reserved for open space. Using the smaller site, the buildings would have to cover all but 40 percent of the open space to provide a viable development, and he urged that the largest possible development site be reserved. Mr. McElyea noted that ERA had also participated in neighborhood meetings to ascertain acceptable uses. Based on these meetings and discussions with Mr. Gryziec, as well as the firm's prior experience in recreation and cultural research, ERA had prepared a preliminary list of sixteen preliminary concepts. ERA also introduced economic information regarding the amount of revenue which would have to be generated from any concept in order to generate a reasonable income for a developmental entity. The firm believed that the development should be economically self-sufficient and not require a City subsidy, and the uses should also serve all age and income groups. It is also important that the development be attractive and compatible with the surrounding development. A major consideration in designing the pleasure park should be the proposal of uses which are not competitive with those found elsewhere in the city.

In response to President Wexler's inquiry, Mr. McElyea reported that development of these concepts had now reached a point where his firm would not begin to pretest the concepts with potential developers, operators, and tenants. He believed that there were about four to five developers with the capacity to build the pleasure park and that ERA would begin determining their reactions to the Yerba Buena Center Gardens and the "market place" concepts. After this research is completed, the firm will evaluate the alternative concepts based both upon developer reaction and the analyses done to date. The firm would then recommend a "best concept" for detailed feasibility analysis. In response to the inquiry of Mrs. Maris Galatti, an interested citizen, Mr. Gryziec indicated that there would be a water feature proposed for development but the feasibility of having a major body of water in the park was questionable. He indicated that, particularly if only the smaller site was available for development, water would be a limited element in the development.

Ms. Blomquist inquired if it was necessary to have the larger development site to achieve feasibility, and Mr. McElyea responded that the firm had evaluated the site in a number of ways and that he believed either could be made successful but that it was preferable to have the larger parcel. Mr. McElyea also noted that ERA had considered whether a large developer or a number of small developers would be the most desirable for the development and noted ERA's recommendation that a large developer or a nonprofit corporation own the land and sublease portions. He believed that in either case small developers would be able to participate in the development. Mr. McElyea believed that as long as the City exercised design control and development criteria, it would be most advantageous to have a single developer for the entire site, since such a developer would have the capacity and experience to build such a complex development.

Mr. Glickman noted that there were similar developments throughout the city, and he cited the Ghirardelli Square, the Cannery, and the proposed Warren Simmons development on the waterfront. He noted that there had been express-

NEW BUSINESS (continued)

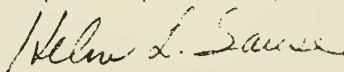
sions of concern as to whether the city could support another development of this type. Mr. McElyea indicated that this had been considered and the uses being proposed would be unique to this development. It would also have the drawing attraction of the convention center. He believed that the combination of amusement facilities for adults and children and a balance of commercial and cultural activities would provide a facility not found elsewhere in the Bay Area. He again expressed his belief that the market was large enough to support such a development. Mr. McElyea indicated that within the next two weeks he would be initiating contacts with developers and anticipated that he would have reactions from them early in December.

President Wexler indicated that this appeared to be an exciting concept and thanked both Messrs. Gryziec and McElyea for their presentation.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the meeting adjourn to an executive session. The meeting adjourned at 5:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

R35
#4
11-22-77

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF NOVEMBER 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of November 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

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and the following was absent:

Walter F. Kaplan

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mr. James Meyer, Tudor Engineering Company; Mrs. Margaret Brady, Parking Authority of the City and County of San Francisco; Samuel Stewart, Sponsors of the Performing Arts Center; Mary Rogers, Arnold Townsend, Richard Harper, and Ed Crocker, Western Addition Project Area Committee (WAPAC); Alex E. Esclamado and Ramon Esclamado, Filipino-American Council; Charles Stuhr, Mr. and Mrs. R. Z. Delano, Gabriela Tambic, Lovita Buted, and B. Galicia, representing the Philippine Cultural and Trade Center; Alan Lurchen, Pacific Trade Associates; William H. Banker, Filmore C. Marks, and J. Shaw, Coldwell Banker & Company; Ted Frazer, Teall Henderson, Gerry Grace, Willie Kelley, Michael Bailey, Mauricio Aviles, Lou Syguia, Joyce Brown, and Harrita Burroughs, San Francisco Coalition; Willa Jones and Oscar Jones, Bayview-Hunters Point Joint Housing Committee; Allen Jordan, New Breed Development Corporation; and Alfredo Rupisin and Jose Reyes, interested citizens.

Representing the press were Donald Canter, San Francisco Examiner; Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of the Regular Meetings of November 1, 1977 and November 8, 1977 and the minutes of the Executive Meetings of September 6, 1977 and November 8, 1977, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-5, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-5, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons

SPECIAL APPEARANCES (continued)

wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) In connection with the Bayview North project an election was held last Saturday to determine the level and intensity of support for the project and also to ascertain whether the residents wished to add an area along Third Street to the existing project boundaries. This was favorably voted upon by the large turnout of voters. On November 17, 1977 the Planning Commission also approved the addition of the area to the project. This matter will be brought before the Agency's Commissioners within a week.
- (b) A bid opening was held on November 15, 1977 for \$3,600,000 in project loan notes for the Embarcadero/Lower Market Approved Redevelopment Project Area (Golden Gateway), and the successful bidder was the United California Bank at 3.47 percent. Mr. Hamilton indicated there were eight other bidders with a range of 3.49 to 3.64 percent. This issue replaces \$3,495,000 at 2.95 percent which was issued one year ago.

UNFINISHED BUSINESS

- (a) Consideration of informational report on the Performing Arts Center garage parking supply and demand study requested in connection with consideration of the clearance of buildings at 330, 350, and 360 Grove Street on the proposed garage sites, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this matter concerns consideration of the report and material provided by the consultants to the sponsors of the Performing Arts Center (PAC) and the issue of the need for a parking garage. He indicated that after a lengthy meeting yesterday with representatives of the PAC, Ms. Margaret Brady of the Parking Authority of the City and County of San Francisco, President Wexler, Bernard Teitelbaum, Executive Deputy to the Mayor, and also consultants from Tudor Engineering Company it was agreed that supplemental material would be provided. Mr. Hamilton noted that this information had been sent to the Commissioners for review in conjunction with other materials already made available. Mr. Hamilton indicated that Ms. Brady and Mr. James Meyer of Tudor Engineering were present and could answer any question which the Commissioners may have. Ms. Margaret Brady of the City's Parking Authority came forward and indicated that at the Commissioners' request Tudor Engineering had provided additional information to indicate the source of the figures in the report previously provided. She urged that the Commissioners consider action on the matter at the next meeting because presently the PAC is being approved by the Board of Supervisors and the sponsors must comply with the Board's request that parking will be built.

President Wexler indicated that he had been advised yesterday for the first time that there was a need by the Parking Authority to have developer designation by next week. Ms. Brady indicated that she would like an assurance from the Agency that it was willing to transfer the property to the Parking Authority. President Wexler asked for clarification and inquired if the Commissioners would be requested to designate the Parking Authority as the developer or to authorize execution of a disposition agreement. Mr. Hamilton replied that

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authorization to dispose of the property to the City would be requested. In response to President Wexler's inquiry, Mr. Hamilton indicated that he did not believe the time would be a problem. President Wexler indicated that it appeared the Commissioners could be in a position to authorize execution of the disposition agreement between the Parking Authority and the Agency within a week and he inquired what actions would be required to be done prior to authorizing such an agreement and what would be the timing of such actions. Mr. Michael Mann, Business Development Specialist, responded that a public hearing would have to be held which would require a fourteen-day advertising period prior to the hearing and the Commissioners would then be asked to authorize execution of the agreement in a meeting. President Wexler commented that even if the notice of public hearing was published today, the earliest date for holding a hearing would be December 6, 1977, and Mr. Mann indicated that the process would be further delayed because it was not possible to publish the notice in the newspapers until next Monday or Tuesday.

Ms. Brady indicated that it was only necessary that the Agency indicate its concurrence in the transfer of the property to the Parking Authority at the Agency's next meeting. This would enable the Authority to assure the Board of Supervisors that the Authority would have control of the land. Mr. Hamilton indicated action of designation at this time would then be sufficient.

Ms. Blomquist inquired of Ms. Brady if off-street parking funds had been used to do the study, and Ms. Brady replied that these funds would be used only for title search and title insurance and that the funds would be returned to the off-street parking fund upon sale of the bonds. Ms. Blomquist inquired why the Parking Authority was in favor of the PAC project, and Ms. Brady responded that the Parking Authority had been requested to provide this parking by the Board of Supervisors and the Mayor's Office. She also noted that this was in accordance with the City's changing policy about managing parking facilities. She noted that in the past, the City had issued the bonds and built the facilities which have then been leased and operated by nonprofit corporations. When the bonds are paid off, the property is placed under the Recreation and Park Department and the revenue goes into the City's funds to reduce the need for ad valorem taxes. However, both the Mayor and the Board of Supervisors no longer want these properties managed by nonprofit corporations and want to utilize the State law provision which empowers the Parking Authority to issue its own bonds and to manage the garages at a higher standard. That is the way this garage is to be built and handled. President Wexler asked if there would be any time problem if the Commissioners acted upon the item next week and Mr. Hamilton replied negatively. President Wexler thanked Ms. Brady for her comments.

Mr. James Meyer of Tudor Engineering came forward and indicated that the firm was acting in the capacity of consultants to the Parking Authority and the sponsors of the PAC. He indicated that a report had been submitted to the Agency staff yesterday which he believed further defined and clarified the original report which was submitted two weeks ago. He indicated that the report explains the need for a parking garage to serve both existing PAC facilities and the proposed symphony hall. These needs fall into two categories. There is the need to replace existing parking on the former Commerce High School site which will be totally utilized by development of the symphony hall and the need to provide parking to meet the needs of the additional performances and cultural events in the Civic Center. Mr. Meyer indicated that the report only clarifies

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some of the figures in Tudor Engineering's report forwarded to the Commissioners about two weeks previously.

Ms. Blomquist inquired which aspects had changes. Mr. Meyer replied changes primarily clarified some numbers and principal textual changes itemized in a letter of transmittal dated November 18, 1977 which amplified the design assumptions. He also noted there were some notes explaining the three tables of figures. The firm based its analysis on providing parking service for 85 percent of the performances that might occur in the Civic Center area and these show that by 1982 there will be a parking deficit for 69 concurrent events. All facilities were included in the analysis, including the Orpheum Theater, Opera House, Veterans War Memorial Building, Brooks Hall, and the proposed concert hall. Mr. Meyer noted that Mr. Samuel Stewart of the PAC sponsors was present and could elaborate on the background of parking information in connection with the symphony hall.

President Wexler referred to page one of the letter from Tudor Engineering, dated November 18, 1977, addressed to Ms. Brady in which it is stated that there existed a requirement that the sponsors of the PAC were required to replace the 326 public parking spaces which would be lost when the new symphony hall is constructed on the Commerce High School site. President Wexler indicated that to his best understanding there was no legal requirement to provide such replacement parking and inquired if this were correct. Mr. Meyers indicated he did not have legal documentation, but there were references in the Supervisors' resolutions to replacement of existing parking spaces on the Commerce High School site and that both tacit and explicit understandings had been made apparent over a period of more than two years' time.

Mr. Samuel Stewart, President of the Sponsors of the Performing Arts Center, came forward and indicated that he had reviewed the files of the past two years, particularly for the period since October 15, 1975, when the sponsors have been working under a development agreement approved by the Board of Supervisors which requires the sponsors to develop a new performance hall containing 3,000 seats and other facilities listed in the agreement. This agreement includes provision of a parking garage to accommodate 400 automobiles and replace the spaces lost from development of the Commerce High site and off-street parking spaces. The City also agreed to provide temporary parking in Block 792. Under the terms of the agreement, the sponsors also agreed to proceed with the plans and fund-raising program necessary to build the PAC. Mr. Stewart reported that over \$18 million has been raised. Mr. Stewart indicated that in addition, over \$2 million has been provided by the City within the last two years and expended under the continued review of the Chief Administrative Officer of the City and County of San Francisco, the Planning Commission, Art Commission and the Capital Improvement Committee to prepare the design of the garage. Mr. Stewart indicated that the final step was the completion of working drawings and submission of final cost estimates for approval. That process is now under way and a request for approval will be presented to the Finance Committee of the Board of Supervisors at its next meeting. Mr. Stewart indicated that the sponsors have raised more money than they

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originally undertook to raise and has sufficient funds committed to cover the construction costs of the 3,000-seat concert hall. In response to President Wexler's inquiry, he noted that under the terms of the agreement the PAC sponsors are also required to submit within 90 days a detailed proposal for the provision of a parking garage. The new design of the garage for the currently proposed location on the north side of Grove Street between Franklin and Gough Streets was prepared with the complete knowledge of the Agency, Parking Authority, and the Chief Administrative Officer, and has been approved by appropriate City authorities. On March 14, 1977 the Board of Supervisors adopted Resolution No. 190-77, approving in principal the proposal from the sponsors for provision of the off-street parking facilities and approving the issuance of revenue bonds by the Parking Authority using parking meter revenue to meet the debt service. The resolution of the Board of Supervisors approving the proposed off-street parking facility is contingent upon execution of a construction agreement between the sponsors of PAC and the City and County of San Francisco. This is the agreement before the Finance Committee of the Board of Supervisors tomorrow, and when that agreement is adopted it requires the City to proceed with acquisition of land to facilitate construction of off-street parking facilities. Mr. Stewart indicated that the PAC was ready to proceed after over fifteen years of work and that the off-street parking was an essential element of the Performing Arts' project.

Mr. Stewart indicated that the Grove Street site had evolved as the designated location of the garage after several years of consideration of other sites. President Wexler inquired if Agency General Counsel Leo E. Borregard had the documents referred to by Mr. Stewart, and Mr. Borregard responded that he had seen only the resolution.

Ms. Blomquist inquired about the date of the agreement requiring replacement of the Commerce High School parking spaces, and Mr. Stewart responded it was October 15, 1975, and reaffirmed by the resolution dated March 14, 1977. He also noted that it was also an element of the new agreement which would be presented to the Board of Supervisors tomorrow. President Wexler requested that Mr. Borregard be provided this additional information to evaluate.

Dr. Williams commented on the reference to walking distances in the Tudor Engineering Company's letter dated November 18, 1977, to Ms. Brady which indicated in Tudor Engineering's judgment 2½ blocks was the outer extremity of anticipated walking distance for most people attending an evening event in the area. Dr. Williams indicated he had discussed this matter with Western Addition people and in their opinion five to six blocks should be considered, particularly when there was space in the garage in the Japanese Cultural and Trade Center and at the Fifth and Mission Garage in Yerba Buena Center. He questioned the justification of people being allowed the luxury of walking only one to two blocks when it appeared that there was already an overabundance of parking within walking distance. Mr. Meyer responded that the firm had also struggled with this issue and had not resolved the dichotomy of having people unwilling to walk even though there is surplus space available in the Civic Center Garage most evenings. He indicated that Ms. Brady had asked for an evaluation of this and the City Engineer's services consultant indicated that studies had determined that people attending Opera House and symphony performance would walk only

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a maximum walking distance of $2\frac{1}{2}$ blocks. He also noted that there was also some resistance to parking in the Civic Center facility. He indicated he had also tested the concept of the probable walking distance with other City departments, such as Traffic Engineering, and they verified the premise that the $2\frac{1}{2}$ block walking distance was preferable to extending the area of influence.

Ms. Shelley inquired if the studies showed that if the walking radius were extended, then people would choose not to attend performances rather than walking further. Mr. Meyer responded that he believed the radius as stated represented the distance 97 percent of the people would walk. He reiterated that there is existing surplus parking space beyond this radius but people will not walk to it and it was difficult to answer as to whether or not people would attend if they had to walk beyond the $2\frac{1}{2}$ block distance. Ms. Shelley inquired if Mr. Meyer had done a demographic study and if the nature of the audience influenced the study. He responded that he had not gone into the matter in that depth. Ms. Shelley expressed an interest in knowing if there were an age factor involved.

Ms. Blomquist indicated her belief that most of the people attending the performing arts events came from outside the city and expressed concern that the people of San Francisco were being asked to provide a garage for them because they did not wish to walk.

Dr. Williams indicated he was prepared to vote affirmatively on the garage but he could only do so if the proponents developed a good rationale to support such a position and he did not believe he now had sufficient information to vote affirmatively. He indicated that he would like to have Mr. Meyer comment on the value of this facility to the population it serves and what it will contribute to the economic base of the community adjacent to the garage, because he believed that the community residents should derive some benefit from the facility.

President Wexler inquired if Mr. Meyer had evaluated the effect of using a $3\frac{1}{2}$ block radius in analyzing the need for parking. Mr. Meyer responded that he could provide such information within the next week since an extensive study of Opera House patrons had already been done. President Wexler indicated that in considering parking distances it was obvious no one would park further away than necessary.

Ms. Blomquist inquired when the survey was done, and Mr. Meyer responded that it was October 1975, but was updated in November 1977. She asked if any consideration had been given to the successful shuttle between the Fifth and Mission Garage and the Orpheum Theater and Mr. Meyer indicated that this had not been part of their evaluation. Ms. Shelley also inquired about use of the Civic Center underground garage, referring to a statement in Mr. Meyer's November 18, 1977 letter concerning the possible unwillingness of patrons to undertake vertical traffic to reach their objective. Mr. Meyer indicated that he believed certain other factors influenced the use of this garage such as the disrepair of the elevators and the dirty stairways and, also, the question of security. He added that the facility was poorly lighted, which

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was a strong deterrent for its use. President Wexler indicated his belief that the garage was operated under the auspices of the Parking Authority and inquired if Mrs. Brady could explain why this facility is not being properly maintained.

Ms. Brady indicated that the Civic Center Garage was an example of a garage operated by a nonprofit corporation and when the management contract comes up for renewal, the City has asked the Authority to assume management of the facility. At that time, the garage would be put into a better state of repair. However, parking requests have been made which she believed would absorb the surplus spaces in the garage. She noted that the Authority has been asked to provide overnight parking in the Civic Center Garage for City vehicles which had previously been driven home and garaged by employees. The Mayor's budget committee has found this policy of vehicle use not fiscally responsible and the Authority was asked to provide storage from 5:00 p.m. to 7:00 a.m. weekly. It has also been requested to provide the Symphony staff with spaces for 60 cars. She indicated that recently, during the day, the garage has been full and turning people away. She again noted her belief that the Parking Authority can rectify the maintenance problems in the garage, but the question of security remained a problem. She indicated that she had letters from adjacent restaurants and businesses reinforcing the unwillingness of people to walk more than 2½ blocks because of concerns about security and poor lighting at night-time.

Ms. Blomquist indicated that the Tudor Engineering study indicated a demand for parking 5,000 cars and noted that the proposed 600 spaces to be built in the garage was a small amount. She also noted that the Environmental Impact Report (EIR) had indicated a parking surplus of 537 spaces available in the evening and inquired about the disparity in the figures. Mr. Meyer indicated that the Tudor study had not referred to automobiles but to parking spaces and had established that parking was deficient. Ms. Blomquist indicated she was comparing the EIR to the Tudor Engineering report and the use of the 85 percent demand which resulted in a deficit of 519 spaces. Mr. Meyer indicated that the demand for 599 spaces was during the day and the 519 spaces during the evening resulted from projected use of different facilities. President Wexler noted that the EIR may encompass more than the 2½ block radius which makes comparison of the figures difficult. Ms. Blomquist inquired about the consideration given to use of public transit in Mr. Meyer's report, and he indicated it had been included in the analysis.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated her concern about demolition of housing to construct a parking garage and expressed her belief that those who would be using the facility were not from San Francisco. She also indicated she had just received the information last night, and President Wexler indicated that the material had only been made available yesterday and that no decision would be made on the matter today. He also stressed the Commissioners' awareness that 76 units of housing were involved. Mrs. Rogers emphasized her concern that the garage would not provide jobs for residents of the Western Addition A-2 community and that housing was being destroyed when

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there was need for it. She alleged that the Agency was not honoring its commitment made twenty years ago to provide housing for the community.

Mr. Arnold Townsend of WAPAC came forward and indicated his belief that there was a moratorium on demolition of housing which should be considered in any proposed demolition. He indicated that insufficient time had been allowed for consideration of the material by WAPAC's board. He asked about consideration given to underground parking and questioned the validity of the information that it was too expensive because of the water table problems since there was another underground garage at the Civic Center and if there were underground water problems these would have certainly have been apparent in constructing that facility. He also noted that he lived in the neighborhood and on performance evenings many people parked their cars all the way up to the Banneker Homes development and walked both ways to the Opera House. He also believed that community people would benefit very little from the garage. President Wexler thanked Mrs. Rogers and Mr. Townsend for their comments and noted that these matters concerned the Commissioners and they would consider them before reaching a decision at the next meeting.

In response to President Wexler's inquiry if staff wished to comment, Mr. Hamilton indicated an evaluation would be made and a recommendation forwarded to the Commissioners.

- (b) Resolution No. 185-77 authorizing termination of agreement for disposition of land for private redevelopment pertaining to Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton recalled that this item was considered at the meeting of September 20, 1977 at which staff had recommended termination of the disposition agreement with Pacific Trade Center. The matter was taken under advisement by the Commissioners. Mr. Hamilton indicated that this extension of time was granted to permit representatives of the Filipino community to pursue this project and there had been many meetings with Mr. Alex E. Esclamado, with the most recent correspondence dated November 17, 1977, requesting a further extension of time. President Wexler questioned whether there had been an extension of time granted on September 20, 1977, and Mr. Hamilton answered negatively, noting that the matter was only taken under advisement on that date; however, the Pacific Trade Center has been in default since that time, as documented in the letter which had been sent to the principals.

Mr. Alex Esclamado, representing the Filipino-American Council, came forward and commented on the status of the development. He recalled that because Filipinos had fought in World War II, Congress had passed a law giving them the right of American citizenship but this authority had later been withdrawn because he believed Americans were afraid too many Filipinos would come to America. He indicated last week the error was rectified and Filipinos who fought in World War II can now have citizenship and new hope. Mr. Esclamado noted that the Filipino-American Council has been given just 2 and one-half months to resolve the complex problems of

UNFINISHED BUSINESS (continued)

developing this one-block area. He also wished to clarify that any reference to the Pacific Trade Center related to the joint venture of W. C. Haas and not the Filipino-American community. He also indicated that the Pacific Trade Center joint venture had been undertaken by Haas and a group of twenty residents of the community which was headed by two nonresident aliens and that three years had passed since the disposition agreement was signed by them. He noted that the Commissioners were led to believe this group represented the Filipino community, which was wrong. On September 6, 1977, he had learned that the Agency planned to terminate the agreement and he had asked for time to ascertain what could be done to resolve the confusing issues. On September 20, 1977, the Commissioners formally considered terminating the Pacific Trade Center's right to undertake the project. In view of three years of what he believed was mismanagement by both the Agency, the Philippine Cultural and Trade Center, Inc., and Mr. Haas, the Commissioners now were being advised to terminate the agreement, but his group wanted the opportunity to take over the development for the Filipino-American community. He believed two issues were involved - the developmental rights of the Filipinos and the \$120,000 deposit which the Agency has. He expressed concern about the question of how to prevent the deposit from being garnished. Mr. Esclamado indicated that it was difficult to find legal means for transferring \$120,000 to the Filipino-American Council but noted that Mr. Haas had indicated that he would assign his joint venture interests to a nonprofit community group so that the Filipino-American Council could assume the role of developer. This indication was just received October 31, 1977, and Mr. Esclamado indicated his belief that this represented progress toward the way for the Filipino-American Council to develop the parcel but he needed additional time to meet with Mr. Haas and formally document the agreement. Mr. Esclamado noted that this has been verified by a conversation between Mr. Hamilton and Mr. Haas. Mr. Esclamado stressed the need for additional meetings, time and effort to formulate a development entity to proceed. He indicated that there were three primary issues involved. First is the time element and he believed that by permitting the Filipino-American Council to act for the Filipino Community and continue as the developer of the site would be the most expedient in developing the project. He expressed concern that if the disposition agreement were terminated and the development offered for public bid again, it would take one year to get it to the point where it is now. Mr. Esclamado indicated that if his group were allowed to have an extension of time to develop a position it could move expeditiously by making use of plans already completed which could be modified according to financial resources to be used in funding the project. He asked for the opportunity for the Filipino-American Council to proceed. His second issue was to protect the interests of the original investors because they would suffer large personal losses if the project did not proceed. His third issue was to urge the Agency to honor the Board of Supervisors' resolution which advocated the Filipino community's right to develop a project which would be a source of pride to them. President Wexler thanked Mr. Esclamado and inquired if there were other speakers who wished to be heard.

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UNFINISHED BUSINESS (continued)

Mr. Charles Stuhr, attorney, representing the Philippine Cultural and Trade Center, Inc. group, came forward and indicated his belief that Mr. Esclamado's efforts to salvage the project were acceptable to the community. He indicated that he had also been approached by two other groups interested in helping the Filipinos. One of these was a group consisting of Messrs. John J. Boyle, Ken Levy, and Paul Golz which indicated they could utilize a Department of Housing and Urban Development program. He had also been contacted by another group willing to take over the existing plans which alleged that they had funding for the project. He added that he had also believed the W. B. Dickman Construction Company would be able to proceed with the development.

Mr. Alan Lurchen, attorney representing the Pacific Trade Associates, came forward and requested clarification of the Agency's authority for termination of the disposition agreement and its rights of assignment of the Filipino group's deposit.

President Wexler indicated that the staff had sent the developer a notice of default on July 1, 1977, which requires a cure of that default within sixty days and that time period has now passed. The next appropriate action would be a formal termination of the developer designation. He indicated that the Commissioners would consider the matter and take the action they determined to be necessary. Mr. Lurchen inquired if in light of the default not being cured, whether the termination would be enacted today, and President Wexler responded that the Commissioners would take whatever action they believed necessary and termination of the disposition agreement was one consideration. In response to Dr. Williams' inquiry, President Wexler indicated that Pacific Trade Associates was another developmental entity that wished to develop the site.

Mr. Lurchen requested that the Agency assign the developer rights to his group rather than terminating the disposition agreement. He indicated he would appreciate the opportunity to present his group's proposal. President Wexler indicated that Mr. Esclamado had also requested the Commissioners to consider assignment of the development and he believed that Mr. Lurchen was somewhat premature in advancing his proposal since no action had yet been taken. Mr. Lurchen indicated he would still like to present his proposal so that the Commissioners would know that others were interested and capable of developing the site. He urged that the Commissioners consider his group's proposal which would protect the community investors, provide recognition of the Filipino community, and utilize the existing plans.

Mr. Esclamado came forward and indicated that he was unaware that there was a limit of sixty days for the group to perfect its legal posture. He indicated that the Pacific Trade Associates was the same group that he believed had attempted to substitute themselves on behalf of two original participants in the Philippine Cultural and Trade Center, Mrs. Rhody Laigo and Mr. Esteban Villa. He alleged that the Pacific Trade Associates had offered the original investors \$500,000 dollars

UNFINISHED BUSINESS (continued)

upon designation and one-third upon funding of the development, and then one-third million dollars upon completion of the project, plus reimbursement for the \$120,000 deposit. He indicated that Mrs. Jovita Buted was upset by this proposal and was unsure how to proceed and sought his advice. He had informed her that Ms. Laigo and Mr. Villa had previously created problems in the development entity, but he had advised Mrs. Buted if she wished to sell her rights to the Pacific Trade Associates for one-half million dollars, that she should do so. He reiterated that he did not know there was a sixty-day period to perfect the group's proposal.

President Wexler indicated that the developer's designation had expired on July 1, 1977, after which time the developer had 60 days to correct the default. This matter was calendared for the Commissioners' consideration on September 20, 1977, but was taken under advisement until today and this time was given by the Commissioners, but was not a legal extension. Mr. Esclamado indicated that from September 20 until November 22, 1977, his group had accomplished a great deal.

Mr. Glickman noted that the agenda item does not concern consideration of transfer of developer rights and he did not have any knowledge of potential assignee and, therefore, had insufficient information to evaluate such a proposal. President Wexler inquired if Mr. Hamilton would respond to this and Mr. Hamilton reaffirmed that the notice of default was sent on July 1, 1977 and the 60 day period had expired. Therefore, the matter was calendared for the Commissioners' action on that default and no proposed assignment to the Pacific Trade Associates was calendared.

He indicated consideration of the matter was difficult because the Agency was concerned about protecting the investment of people who had risked their personal resources in good faith in a development attempt and had put in much time and effort in an attempt to bring it to fruition. He stressed his belief that there was no lack of effort on the part of these people; however, since the Agency must also protect the public interest, it was his recommendation that the Agency take steps to see that this particular parcel is returned to the City's tax rolls since it has been vacant far too long. Mr. Hamilton reaffirmed that he had spoken with Mr. Haas who had indicated his willingness to have his rights assigned to a nonprofit entity but this did not accomplish the objective of having a developer capable of proceeding. He recommended that the Commissioners pass a resolution which: (1) terminated the existing developer rights of the Philippine Cultural and Trade Center; (2) retained the deposit of \$120,000 by the Agency until determination is made by the Filipino community whether it can proceed; (3) reoffered the parcel for a period of ninety days during which time the Filipino community and any others who may be interested would have an opportunity to submit their proposals; and (4) evaluated all proposals with a primary objective being the capacity of the development entity to proceed quickly. He also added that if the Filipino community be redesignated under the umbrella of the Filipino-American Council, the present deposit could be reapplied to the site.

UNFINISHED BUSINESS (continued)

He believed that the Filipino group had the advantage of having a great deal of the technical work necessary for development of the site already completed. He noted that the parcel would be offered under a fixed-price competition.

MOTION: It was moved by Ms. Blomquist and seconded by Dr. Williams that recommendations of staff be accepted to terminate the agreement with Pacific Trade Center for Parcel 762-A, WA-2 and offer the parcel for development proposals.

Mr. Esclamado came forward and indicated that the termination of the disposition agreement could result in legal action being sought to prevent the community's losses. He indicated his group had discussed the matter with Agency staff and had been advised that this was the best way to proceed and it had never occurred to him that the developer rights would be terminated. He noted that Mr. Haas and others could be in a position to question through the Courts the Agency's right to withhold the deposit of \$120,000. He believed this could create a long period of litigation, and again requested that his group be given time to accomplish the necessary documentation. He urged that the Commissioners not terminate the disposition agreement and requested additional time to work on the project.

Dr. Williams indicated that he had some difficulty, from Mr. Esclamado's comments, in understanding who comprised the Filipino community that he represented and expressed concern that this would cause confusion in protecting the interest of the original investors. Dr. Williams expressed his desire to see the Filipino Community succeed in its development efforts and asked Mr. Esclamado to inform the Commissioners what his proposal consisted of and what group he was working with. Dr. Williams indicated that there appeared to be viable entities interested in developing the site, but they apparently did not include Filipinos. Dr. Williams indicated his concern that the Filipinos were being requested to perform quickly or lose their development rights and he believed they could not do so because of their lack of expertise in these matters. He believed that it may be necessary to give an advantage to a deprived community and permit them more time to put their proposal together. He also indicated concern about the length of time the site had been ready for development and noted the importance of getting it back on the City's tax rolls. He believed that the Filipino people should be urged to continue their efforts to develop their project and allowed additional time to do so since they had their savings at stake. He indicated that the community appeared to have been misled and it would be wise legally, ethically, and morally to give them an additional opportunity.

Mr. Glickman concurred in Dr. William's comments, but indicated his belief that there was a question of the best way to protect the Filipino community. He agreed with the staff recommendation that every attempt be made to protect the investments of the Filipino community and stressed his belief that if the Commissioners voted to accept that recommendation that it would not be because they had any intention to take away the interest of the Filipino Community but because it is the best way to protect those interests. He indicated that his interest in the community was strong but there were better ways of protecting the community legally than extending the development rights of this joint venture of the Pacific Trade Center and William C. Haas.

UNFINISHED BUSINESS (continued)

Mr. Esclamado came forward and indicated his appreciation of both Commissioners' remarks and that he had been dealing with staff in good faith by virtue of the Board of Supervisors' resolution which required that the Agency give guidance to the Filipino community in its efforts to establish a cultural center. He indicated that he had worked with Mr. Hamilton and it was agreed that the best way to protect the interests of the community was to have Mr. Haas assign his rights to his group. He believed that to terminate the development rights would put a stop to the group's efforts to develop their project and urged the Commissioners to extend the designation.

Mr. Hamilton indicated that he had only asked Mr. Esclamado to advise the staff of his progress and that a meeting to discuss the status of the project occurred only because Mr. Hamilton had contacted the Filipino groups and Mr. Esclamado asked for a status report before the matter was referred to the Commissioners. Mr. Hamilton indicated that he had only advised Mr. Esclamado to contact Mr. Haas and determine his position on the assignment of his interests and that no other commitment was implied as to the staff recommendation or the Commissioners action. Mr. Charles Stuhr, attorney representing the Pacific Trade Center group, had been unable to resolve the legal issues concerning status of the joint ventures' interests and therefore it appears the only alternative is the pursuit of assignment of the Haas' interest but the staff in no way committed itself to recommending this course of action.

President Wexler indicated that as the Commissioner who cast the deciding vote in January 1977 giving one final chance to the Filipino group he believed Mr. Hamilton's recommendation was in the spirit of the Commissioners' intention to act in the best interest of the community while fulfilling the Agency's responsibility to develop property under its jurisdiction. He indicated he would be delighted to join in voting to award to the Filipino community the parcel for development if it could come up with a valid developmental proposal.

Mr. Lurchen indicated he wished to ask a question regarding the offering, and President Wexler indicated that the motion had been made and seconded to terminate the developer designation of the Pacific Trade Center joint venture, to hold the Pacific Trade Center's \$120,000 deposit subject to receipt of new bids on the site after a ninety day offering period.

Mr. Michael Mann, Business Development Specialist, indicated that it would take approximately thirty days to prepare an adequate offering and after the ninety day offering period another thirty days should be allowed to evaluate the proposals, for a total of five months. Mr. Hamilton indicated that the staff recommendation to terminate the Pacific Trade Center joint venture was made in the belief that this was best to protect the Filipino community's interests. Mr. Esclamado indicated that if his group received a five months extension, they would be able to put up financing and break ground. Mr. Lurchen commented that the Agency could protect the Filipino investors and get the land back on the tax rolls through the Pacific Trade Associates proposal which he would like to have an opportunity next week to present the Commissioners as a feasible alternative.

ADOPTION: President Wexler requested a roll call vote on the motion previously made by Ms. Blomquist and seconded by Dr. Williams that the resolution be adopted which (1) terminated the existing developer rights of the Philippine Cultural and Trade Center; (2) retained the deposit of \$120,000 by the Agency until determination is made by the Filipino community whether it can proceed; (3) reoffered the parcel for a 90-day period during which time the Filipino community or any others interested would have an opportunity to submit proposals; and (4) evaluated all proposals with a primary objective being the capacity of the development entity to proceed

UNFINISHED BUSINESS (continued)

quickly, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

Dr. Williams

and the following abstained:

None

The President thereupon declared that the motion carried.

NEW BUSINESS

- (a) Resolution No. 231-77 designating Borel Realty, Inc., a California corporation, as redeveloper of Parcel 743-D, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this represented consideration of designating Borel Realty, Inc. for ninety days as the redeveloper of the Northwest corner of Van Ness and Turk, Parcel 743-D, consisting of 60,000 square feet. The property is proposed for use by the General Services Administration as an office building. Initially the property was offered in 1975 but there was no response and again in 1976 when one proposal for elderly housing was received. However, the Department of Housing and Urban Development (HUD) determined that the proposed housing was economically infeasible. The building proposed by GSA will be similar in architecture to that of the California State Bar Association at Franklin and McAllister Streets.

President Wexler expressed concern that it appeared the building would be entirely devoted to General Services Administration offices and that there would be no mixture of commercial or residential uses on the site. He believed that the area would benefit from development of mixed uses and not just office use which generated no activity in the area in the evenings. President Wexler indicated that he would like staff to evaluate the possibility of mixed uses with Borel and General Services Administration and if the designation was not vital this week in terms of the ability of Borel Realty, Inc. to execute a contract with General Services Administration, he believed the item should be held over for one week. Mr. Michael Mann, Business Development Specialist, indicated that General Services Administration specified its requirement for office uses on the ground floor of the building since this provided easy access for the handicapped. President Wexler suggested that staff explore further the use of the site for purposes other than a single purpose government office building on that site.

Dr. Williams inquired as to WAPAC's position on this matter, and Mr. Arnold Townsend came forward and indicated that he, Mrs. Mary Rogers, and Mr. Benny Stewart had met with GSA representatives but had received no commitments from GSA in connection with training programs during construction or afterwards and

NEW BUSINESS (continued)

that these were issues WAPAC would like to have determined prior to designation. He indicated WAPAC'S concern that the facility would serve the people in the Tenderloin area and the people in the A-2 community would have to go out to the Avenues to utilize the Social Security office. He urged that the item be held over one week. President Wexler indicated that his concern about the single-purpose versus multipurpose use of the building, and Mr. Townsend concurred and indicated that he preferred the multiuse approach of commercial on the ground level.

RULE OF THE CHAIR: President Wexler indicated that subject to objections of the Commissioners, the matter would be held over two weeks or until staff believes it is appropriate for the Commissioners to consider this designation. There being no objections, it was so ordered.

Mr. Hamilton indicated that it was inappropriate to establish agreements on a job package or architectural treatment at this point and these matters would be considered later when it was known if the Borel proposal had been selected by GSA. He added that there was no problem in holding the matter over until the question of multiuse can be resolved.

- (b) Resolution No. 234-77 awarding Demolition Contract No. 72 to Jewels Systems, Western Addition Approved Redevelopment Project Area A-2.

This represents award of Demolition Contract No. 72 to the lowest of three bidders, Jewels Systems, for \$3,300 to clear the John Swett Community Center site of the last building at the corner of Webster and Golden Gate Avenue. This will permit construction of the Center and also complies with the requirement of the Economic Development Authority that work commence on the site before December 21, 1977.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 235-77 approving sale of Parcel A-5 to William H. Banker and Fillmore C. Marks and the minimum disposition price; ratifying and confirming publication of notice of public hearing; authorizing execution of agreement for disposition and other conveyance instruments in connection therewith, India Basin Industrial Park Approved Redevelopment Project Area.

This was the subject of a public hearing just held and concerns disposition of Parcel A-5 at the northwest corner of the intersection of Newhall and Mendell Streets in India Basin Industrial Park, consisting of 109,843 square feet, to William H. Banker and Fillmore C. Marks at a price of \$192,227, or \$1.75 per square foot, for development of four buildings totaling 40,740 square feet to be used for light industrial purposes. This will open multiuse units leaseable for offices or warehouses. Prior experience with this type of development anticipates that 120 jobs could be developed and controls will be written into the disposition agreement which give the Agency the authority to review or reject proposed lessees if insufficient jobs are contemplated. President Wexler inquired if this was agreeable to the Bayview-Hunters Point Joint Housing Committee, and Mr. Richard Marshall, Business Development Specialist, indicated there had been meetings with the Committee and it was in agreement on the issues.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (d) Resolution No. 238-77 approving and providing for the execution of a Fourth Amendatory Contract amending Loan and Grant Contract No. Calif. R-III(LG) by and between the Redevelopment Agency and the City and County of San Francisco and the United States of America.

This concerns amendment of the India Basin Industrial Park Loan and Grant Contract to increase the loan to \$315,663 which is part of the \$2,321,421 allocated through "urgent needs" monies. The balance of the funds were provided through an amendment to the City/Agency agreement of Community Development.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 223-77 awarding Site Improvement Contract No. 19, India Basin Industrial Park Approved Redevelopment Project Area.

This represents award of Site Improvement Contract No. 19 to the lowest of five bidders, McGuire and Hester, for \$591,775 to provide grading and construction of street, utilities, and landscaping along Burke Avenue in the India Basin Industrial Park project area. Also included is removal of surcharge and demolition of an Agency warehouse. The firm has performed well for the Agency and has a satisfactory affirmative action and safety program.

In reply to President Wexler's inquiry, Mr. Hamilton indicated that both McGuire and Hester and Bay Cities Paving and Grading had accepted the corrections to the extensions of their bid figures.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 233-77 awarding Demolition and Site Clearance Contract No. 20 to Myron Demolition and Excavating, India Basin Industrial Park Approved Redevelopment Project Area.

This item concerns award of Demolition and Site Clearance Contract No. 20 in India Basin to the lowest of four bidders, Myron Demolition and Excavating of San Francisco, for \$7,762 to demolish two one-story buildings and to clean up foundations and floor slabs. The firm has a satisfactory affirmative action and safety record program. Mr. Lee questioned the bid being lower than the engineer's estimate and asked if there had been some error. President Wexler indicated he had also inquired of staff the same question, but it was confirmed that no mistake had been made and that the firm understood the scope of work. Mr. Frank Cannizzaro, Project Engineer, indicated that the bid had been verified and that there was no error because the difference appeared to result from the salvage the contractor believed he would realize and he also had a dump source nearby. Mr. Lee inquired if the contractor was bonded, and Mr. Cannizzaro replied affirmatively.

ADOPTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 230-77 authorizing the Executive Director to enter into a legal services contract in connection with litigation, Yerba Buena Center Approved Redevelopment Project Area.

NEW BUSINESS (continued)

This concerns award of a \$15,000 contract to the legal firm of McCutchen, Doyle, Brown, and Enersen who will represent the Agency in the matter concerning the TOOR attorneys' fees claim to be heard before Judge Stanley Weigel. The City is considering the legal basis for a settlement and the matter requires legal research and analysis. It is recommended that a law firm be engaged to perform the analysis.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 239-77 authorizing the Executive Director to enter into a legal services contract in connection with Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item represented an award of a contract to the law firm of Orrick, Herrington, Rowley, and Sutcliffe for an amount not to exceed \$8,000 to analyze the interests of the Arcon/Pacific Ltd. developer of Yerba Buena Center's office building and apparel mart. The rights of the Agency will also be analyzed if litigation results from Arcon/Pacific's disposition agreements for these structures. In reply to Mr. Glickman's question as to how the decisions were made on the selection of these firms, Agency General Counsel Leo E. Borregard responded that the Agency had contacted two or three other firms and the decision was based upon availability and capacity of the firms.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (i) Consideration of authorization for the Executive Director to execute work orders in preparation of the administrative draft of the Environmental Impact Report in an amount not to exceed \$160,000.

This represents issuance of a \$160,000 work order to the Department of Public Works to fund the Agency's share of \$320,000 contract with the Environmental Science Associates who will prepare the Environmental Impact Report (EIR) for Yerba Buena Center Approved Redevelopment Project Area. The EIR will cover all of Yerba Buena Center and the City/Agency will share the cost with the City paying the fees applicable to the exhibit hall. Work has been underway since August.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that work orders in the preparation of the administrative draft of the Environmental Impact Report for Yerba Buena Center Approved Redevelopment Project Area be authorized for an amount not to exceed \$160,000.

- (j) Resolution No. 237-77 authorizing amendment to the contract for legal services in condemnation actions to include the Stockton/Sacramento Approved Redevelopment Project Area.

This is an amendment to the legal services contract of Rogers, Vizzard and Tallett to include the Stockton/Sacramento Approved Redevelopment Project Area which was erroneously omitted from an amendment to their original contract entered into in 1966 covering the condemnation work and other legal services relative to Western Addition Area A-2.

NEW BUSINESS (continued)

The firm had proceeded with legal work on the Stockton/Sacramento project and billings submitted did not identify cases by project. This action incorporated Stockton/Sacramento in the contract and the firm will submit revised billings so that proper allocation of funds can be made to project records and books. There will be no change in the upset amount of \$385,000, or an hourly rate of \$50.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (k) Resolution No. 236-77 designating and authorizing certain personnel to administer certain bank accounts.

This is an authorization for one additional check signer and provided for updating of titles for current check signers presently authorized.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Blomquist, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Ted Frazer of the San Francisco Coalition came forward and indicated that he had negotiated with staff regarding the development of a training program to permit minority community participation in connection with a parking lot at 715 Mission Street, and he had just been informed that there was a possibility the matter would not be heard in an executive meeting. He stressed the importance of having this parking to the Coalition and asked that it be brought before the Commissioners for comment on the situation.

President Wexler indicated that the Commissioners would adjourn to an executive meeting but that this did not appear to be a proper matter for such a meeting and suggested that the matter be heard next week. Mr. Hamilton indicated he had just been informed of the matter and had not seen the proposals for the Coalition's program. Mr. Frazier indicated his concern that interviews had been held and the Coalition was ready to begin with fifty trainees tomorrow. He believed that the Coalition had provided the necessary insurance and that program requirements had been worked out, therefore, he wished to be assured of a "go ahead" on the matter.

Mr. Hamilton indicated Mr. Earl Mills, Deputy Executive Director of Community Services, was handling the matter but that he had seen nothing concerning the proposed arrangements. Mr. Frazier indicated it had taken two months to get the program started and that the insurance and permit had been obtained today. He hoped to reduce the Coalition's costs with this program which would use the vacant lot for parking purposes. With this additional revenue, the Coalition could offset its budget deficit and also train people for employment by the program.

Mr. Hamilton indicated there would be no action today since neither himself or the Commissioners had seen anything on the matter.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 6:45 p.m.

Respectfully submitted,

Helen L. Sause
Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF NOVEMBER 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of November 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Walter F. Kaplan
Melvin D. Lee
Dr. Hannibal A. Williams

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and the following was absent:

None

The President declared a quorum present.

Also present were Mary Rogers and Arnold Townsend, Western Addition Project Area Committee (WAPAC); Glenda Skiffer and Charles Starbuck, San Francisco City Planning; Sam Stewart, Sponsors for the Performing Arts Center; G. R. Baker, Metropolitan Parking Corporation; Robert Courson, Borel Realty, Inc.; Paul Hardman, Pride Foundation; Chester Hartman, San Francisco Housing Coalition; Ted Frazier, Teall Henderson, Theresa Zear, William Murdock, Craig Radden, Jim Rivaldo, Harrita Burroughs, Kent Davis, William Johnson, Maria Paterson, and Mauricio Aviles, San Francisco Coalition; Michael Nolan, District 4 Community Congress; James A. Simpson, Coldwell Banker and Company; Peter Mendelsohn and Steve Dutton, TOOR-TODCO; J. L. Vaillant, General Services Administration; Donald Heston, Human Rights Commission; Margaret Brady and William Marconi, San Francisco Parking Authority; James Meyer, Tudor Engineering Company; Mike Davis, Economic Opportunity Council; Scott Riklin, Arts Biweekly; and Ron Green and E. A. Sorensen, interested citizens.

Representing the press were Don Canter, San Francisco Examiner; and Marshall Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the minutes of the Executive Meeting of November 22, 1977, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 674-B, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested

SPECIAL APPEARANCES (continued)

in the matter of the proposed transfer and conveyance of Parcel 674-B, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3733-A, Site 1, Yerba Buena Center Approved Redevelopment Project Area D-1.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3733-A, Site 1, Yerba Buena Center Approved Redevelopment Project Area D-1. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The next move of Victorian structures in Western Addition A-2 will occur this evening at 8.00 p.m. when 1684 Post Street will be relocated to facilitate further development of the Nihonmachi area. On December 6, 1977 it is anticipated 1716 Buchanan Street will be removed on December 7, 1977.
- (b) Bids were received for one of the two contracts for construction of Galvez Playfield in Hunters Point. The apparent low bidder was Lowe Construction for \$240,647 and the Agency engineer's estimate was \$200,000.

UNFINISHED BUSINESS

- (a) Resolution No. 231-77 designating Borel Realty, Inc., a California corporation, as redeveloper of Parcel 743-D, Western Addition Approved Redevelopment Project Area A-2.

This concerns designation of Borel Realty, Inc. for a 90-day period as redeveloper of Parcel 743-D at the northwest corner of Van Ness Avenue and Turk Street, which consists of 60,000 square feet and will be used by the United States Government General Services Administration (GSA) as an office building to be occupied by Federal Agencies. Mr. Hamilton indicated that this property was first offered in September 1975 but there was no response and when reoffered in June 1976 there was only one proposal received which was infeasible. The GSA selects proposals for such use on a competitive basis and it is recommended that the 90-day designation be granted to Borel Realty and then if GSA selects its proposal then further consideration will be given to its design and affirmative action program. He noted that this item was held over from a previous meeting due to concerns about achieving commercial uses on the ground floor, and Mr. Hamilton indicated that there was some recent indication GSA would consider this and Mr. J. L. Vaillant was present to respond to questions about GSA's requirements.

UNFINISHED BUSINESS (continued)

President Wexler inquired if the GSA would be interested in the building if the ground floor or a portion of it was used for commercial or retail uses and Mr. Vaillant responded affirmatively and indicated that there would be no problem. He indicated that under recent revisions of the Public Buildings Cooperative Use Act of 1976, there was legislation encouraging such uses for Federal Buildings, as well as for cultural, educational and recreational activities. The Act also encouraged the use of historical buildings. He indicated that a potential lessor could have commercial and retail uses for the ground floor as long as the GSA could be assured its office space would be accessible to the public.

President Wexler inquired if in terms of occupancy of the building would there be a problem created for GSA if portions of the building above the floors they required for offices were set aside for residential use, and Mr. Vaillant replied that this was also acceptable to GSA provided the use was allowable under local zoning codes and ordinances, and provided that the use was compatible.

Mr. Glickman inquired if GSA had any concerns about the overall design of the building, and Mr. Vaillant responded affirmatively indicating that the configuration of the building should provide good space utilization. Also, GSA is now concerned about design and has an architectural staff to render an opinion as to the appearance of the building. He indicated, however, that GSA could not tell the lessor what should be done to the appearance. Mr. Glickman asked if the Agency had design control over the building, and President Wexler responded affirmatively. He inquired if anyone was present from Borel Realty, Inc., and asked for an opinion on how the building could be developed for occupancy by entities in addition to GSA.

Mr. Robert Courson of Borel Realty, Inc. came forward and indicated that his firm was in a preliminary phase of negotiation with GSA and he could not answer that question until the arrangements between his firm and GSA had been consummated. He indicated his firm was one of several submitting proposals for consideration by the GSA selection committee and that it would be too premature to comment on potential occupants of the building. President Wexler asked if the firm is designated as developed would there be any difficulty if the Agency wished to use the ground floor space for commercial or retail purposes and to explore the possibility of housing on the upper floors. Mr. Courson responded that since his firm was not experienced in the construction and operation of multi-family dwellings and such a requirement could force his firm to consider withdrawing its offer on the parcel. However, he indicated that use of the ground floor space for commercial or retail uses was a proposal in which his firm had extensive experience and they would find this acceptable.

In response to Mr. Glickman's question, Mr. Hamilton indicated that only one other unacceptable proposal had been received for this parcel. Mr. Glickman suggested designating Borel Realty as developer for a 90-day period and if the proposal is accepted by GSA then the firm can come back with a proposed development that is responsive to the Agency's concerns.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

FINISHED BUSINESS (continued)

- (b) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 71, Western Addition Approved Redevelopment Project Area A-2

Authorization is requested to advertise for bids for Demolition and Site Clearance Contract No. 71, Western Addition A-2, for demolition of four buildings on the site proposed for the Performing Arts Center (PAC) garage. The site needs to be cleared to meet the scheduled January 1978 construction date for the garage. Consideration of the demolition had been previously held over pending assurances that the PAC sponsors had funds to proceed with the Center. These assurances have been provided and therefore it is recommended that the demolition contract be advertised. Mr. Hamilton indicated that the item had also been held over pending additional information relating the need for the parking facility and staff has now forwarded the additional information from Tudor Engineering Company and the PAC. The staff analysis has been made available to the Commissioners and has been discussed in public meetings with the exception of the most recently received supplemental information.

Mr. Hamilton indicated that there had been assurances made by staff to the PAC that the site would be provided for construction of the garage and, in accordance with these assurances, his recommendation was made that the Commissioners' decision to move now in concert with the existing schedule be made. He indicated that Messrs. Paul Hardman of The Pride Foundation and Samuel Stewart of the Sponsors of the Performing Arts Center were present and had requested permission to comment.

Mr. Paul Hardman, representing The Pride Foundation, came forward and indicated that the Foundation was a rent-free occupant of one of the Agency-owned buildings to be demolished and it was his understanding from Mayor George Moscone that the garage would go forward. He requested only that the Mayor fulfill his pledges to the Pride Foundation that a comparable type of facility be made available to the Foundation as a substitute for the building they are presently occupying. He expressed concern that he had nothing in writing but had been informed the money would come from the community development funds. He complimented the Agency's staff for its cooperative attitude in presenting possible alternate relocation locations, but stressed that it was the desire of the Foundation to remain in the present building in order to continue to provide community services. He indicated that the Foundation had made the building safe and he urged that the buildings not be demolished. He indicated that the Foundation did not oppose the PAC but suggested that there were other sites available that were more suitable. He also indicated that he believed an Environmental Impact Study was required for the PAC project but that it had not been prepared. He believed that the decision concerned political issues and that the new Board of Supervisors would not pursue construction of the garage.

Mr. Lee referred to the statement made by Mr. Hardman concerning Mayor Moscone's commitment, and Mr. Hardman responded that the Mayor had said that he would be able to assure Pride Foundation of a relocation site. Mr. Lee inquired if the commitment was for a specific site, and Mr. Hardman answered negatively but noted that the Agency has already shown the Foundation could not purchase them for lack of money. He indicated that the

UNFINISHED BUSINESS (continued)

Foundation had proceeded to renovate the Grove Street building because he had not believed that the PAC would ever build the garage.

Ms. Shelley asked if Pride Foundation's position would be any different if the Foundation had not been occupying the building on a rent-free basis versus the rental that would be paid in another facility, and Mr. Hardman responded that the Foundation was prepared to provide a \$60,000 commitment if there would be some assurance the Foundation could remain in one place for five years. Mr. Hardman indicated the Foundation did not wish to spend money on temporary housing. Ms. Shelley indicated it would cost money both to move and to stay because if the building remained rent would have to be paid, and Mr. Hardman indicated it would cost less to stay.

President Wexler inquired if staff wished to comment on the matter. Mr. Hamilton indicated that other locations had been identified for Pride Foundation but the Foundation apparently would not consider any alternative until the present facility was no longer available. Mr. Hamilton stressed that staff was extending relocation aid on a courtesy basis because it is not the responsibility of the Agency to relocate the Foundation which is a non-profit organization occupying a building on a rent-free basis.

President Wexler inquired if there was any funding which could be used to facilitate the relocation of the Foundation, and Mr. Hamilton responded that expenditure of the Community Development funds was controlled by HUD regulations and these precluded relocation of such occupants or expending funds on facilities for their relocation. He indicated that Mr. Carl Williams of the Office of Community Development was directed by the Mayor to investigate what funds might be made available.

Mr. Glickman asked for clarification of the Foundation's relocation rights if the Commissioners do decide to demolish the building. Mr. Hardman urged that the Commissioners provide the Foundation with a written commitment that it would be provided relocation aid and expressed concern that people often changed their minds after expressing such policies. He noted that the Foundation could not make an offer on any building until it knows what funds are forthcoming.

Dr. Williams inquired about the Agency's ability to provide relocation assistance to the Foundation and Mr. Hamilton indicated that the Agency would assist in locating another facility on a courtesy basis but could not expend funds in reestablishing an alternate facility for the Foundation because it was not a legal tenant. Mr. Hamilton added that the Agency could make referrals of alternative available structures that were appropriate for the Foundation's use and he reiterated that the Agency could not expend funds unless either the City can provide funds for the Foundation's relocation.

Ms. Shelley inquired about a comment from Mr. Hardman that an alternate site at Van Ness and Golden Gate Avenues would be more suitable for the parking garage and also about his reference to the need for an Environmental Impact Study (EIS). Mr. Hamilton replied that the site in question

FINISHED BUSINESS (continued)

is the full block previously committed to the Philippine Trade and Cultural Center site which is now being reoffered for commercial development and that a garage on that site fronting the Van Ness corridor was inappropriate. In response to Ms. Blomquist's inquiry, he indicated that use was not in accordance with the commercial development being planned for the Van Ness area. Mr. Hamilton indicated that the environmental clearances had been obtained and satisfied Federal and local requirements.

Mr. Samuel Stewart of the Sponsors of the Performing Arts Center came forward and indicated that he would not repeat the history of the efforts to develop the PAC but stressed that in all of the efforts to achieve the development the block in question was involved and that over \$2 million had been spent on development of plans which are related to that site. To change sites would necessitate replanning the development and with escalating costs it would be not only expensive but would cause serious difficulties in moving the project forward on schedule. Last week the finance Committee of the Board of Supervisors reviewed the PAC's proposed construction agreement and authorized the sponsors to proceed to a contract for the project. The Board, yesterday, approved by a vote of 7 to 1 the recommendation of the Finance Committee and the contract will be finally signed within a week. This agreement also authorizes proceeding with the construction of the public parking facility.

Dr. Williams indicated his support for the project because he believed recognition of artistic achievement was essential to satisfy the cultural needs of the City. He noted concern for the Pride Foundation, which has an investment of time, and the Western Addition A-2 community which does not benefit from a parking garage and he suggested that some redress for damages could be considered which could also build good will in the community. He suggested that funds be made available to assist the Pride Foundation and also commented that since over \$19 million have been raised for this project wondered why it was that it was so difficult to raise sufficient "seed money" to build the Fillmore Center. He believed that a group capable of successfully raising \$19 million could be helpful in soliciting money for the Fillmore Center from people of good will. Mr. Stewart stressed his belief good will did not help with fund raising and it had been very difficult to raise \$19 million and it had never before been done in the City. He commented that people from the Pride Foundation had obstructed the PAC project at every step of the way during the more than fifty public hearings on the issue. He indicated that the Foundation had no rights and occupied the building only through the Agency's good will in providing a rent-free building. He agreed with the concept of making use of the property until it was ready for development but stressed that it was also important to honor commitments that had been made over the past few years to PAC. He indicated that he had worked for the PAC as a public service without compensation for four-and-one-half years.

He indicated that the Agency had the power to frustrate fourteen years of planning and a \$2 million expenditure, as well as breaching its commitments made to the City and County of San Francisco. He indicated

UNFINISHED BUSINESS (continued)

that people had told him that this fund raising could not be done so Mr. Hardman should be encouraged by Mr. Stewart's success, particularly since he was a senior citizen. Ms. Blomquist inquired if Mr. Stewart lived in San Francisco, and he replied he had for thirty years.

In response to Ms. Shelley's inquiry, Mr. Stewart indicated that a garage on this site was crucial to construction of the PAC itself going forward because it is the only site that was close to the new concert hall and it has been approved by the Board of Supervisors. He indicated that PAC had wanted to place the garage on another site but the Board of Supervisors urged that the PAC use this site. Mr. Stewart indicated that it was not the only site where a garage could be built but the decision had been made and the money invested in the design for the garages. Ms. Shelley indicated that the Commissioners were not questioning the site of the PAC but were concerned about clearance of the housing and Mr. Stewart responded that the garage site was a matter of proximity because the garage needed to be close enough to the PAC to be used according to the walking habits of the people attending the performances. He indicated he was not qualified to anticipate how people wanted to walk. He indicated that statistics have shown that a garage a certain distance away would not be good because people will not walk more than a certain distance. This 600-space garage would serve the 3,000-seat concert hall and replace the 400 spaces being removed from the Commerce High site.

Dr. Williams again noted his support for the PAC but indicated he would vote for the parking garage with regret because the PAC had not attempted to provide benefit to the community. He indicated that Mr. Stewart had mentioned that the Pride Foundation had opposed the PAC proposal and if so he believed it was to their credit since the Foundation had no other course to take.

Mr. Stewart indicated he had tried to improve things for humanity. He noted that he had tried to do everything in his power to this end but after 69 years had learned it was impossible to accomplish all.

Mr. Glickman commented on Dr. Williams' remarks and concurred with him that this was a very difficult problem which confronted the Agency and that any aid that could be provided should be made available without abdicating responsibility for its previous commitment. He also noted that Dr. Williams had suggested that if the garage goes ahead the PAC could possibly help the community in some way. Mr. Stewart indicated he had an open mind.

President Wexler inquired about the requirement that PAC replace the parking to be removed at the Commerce High School site, and Mr. Stewart indicated that this was a legal requirement imposed by the City which stipulated that the PAC could not be built until those parking spaces were replaced. Mr. Stewart indicated both PAC and the garage must move forward together to satisfy the obligation.

Mr. Glickman asked Agency General Counsel Leo E. Borregard for a legal opinion on the requirement for construction of the garage and Mr. Borregard responded that the development agreement between the City and County of San Francisco and the Sponsors of the San Francisco Performing Arts Center, Inc. refers in a number of paragraphs to the effect that

UNFINISHED BUSINESS (continued)

certain requirements are imposed on the sponsoring group. He read a paragraph from the agreement between the City and PAC approved on November 29, 1977 which stated that following execution of the agreement, which is to occur after the certification by the City Controller that contribution proceeds are available to cover construction of the concert or performing hall, small recital hall, additional rehearsal facilities and office space for the symphony, opera and ballet, and an extension of the stage of the opera house, as well as rehabilitation of backstage areas, the City is to proceed with acquisition of land for an off-street parking facility on the north side of Grove Street between Franklin and Gough Streets, and is also to provide temporary parking in the block bounded by Franklin, Fulton, Gough and Grove Streets during the construction period of the project.

Mr. Glickman inquired if that agreement was to be entered into by the Board of Supervisors and Mr. Stewart answered affirmatively, noting that the signing parties were the City and County of San Francisco and the sponsors of the PAC. Mr. Stewart noted the agreement was not formally executed by the Mayor but has been approved by the Board of Supervisors. Mr. Glickman asked if the reference to permanent parking facility applied to the garage and Mr. Borregard responded that his interpretation of the agreement required the City to proceed with the acquisition of the land to facilitate the construction of the project off-street parking facility.

In response to Mr. Glickman's inquiry, Mr. Borregard noted that his interpretation of "facilitate" was that the City would, after certain events have occurred which included execution of the agreement, proceed to buy the land in order to make possible the construction of the public parking off-street facility at the designated location.

Ms. Shelley inquired if there could be some question about a commitment that was contingent upon the seller being willing to sell without first having possession of the land.

President Wexler thanked Mr. Stewart for his comments and noted that others wished to comment on the matter.

Mr. Chester Hartman, representing the San Francisco Housing Coalition, came forward and indicated that last September a number of neighborhood groups and organizations formed the Coalition to prepare ordinances to aid in preserving the City's housing stock. He expressed concern that the Agency is considering the demolition of 70 housing units for construction of a parking facility when there is an extensive need for housing. He believed that the blocks surrounding the proposed parking garage would be ruined as a residence area and the neighborhood destroyed and, in his opinion, the garage was not needed. He believed that historically the Agency had demolished 10,000 units of housing and it should change this image. A copy of Mr. Harman's statement is attached to and made a part of these minutes.

Mr. Kaplan indicated that the site was designated for public use in the Western Addition A-2 Plan and a Plan Change would be necessary if the site were used for any other purpose, and Mr. Hamilton concurred, but noted that it would not be necessary if the original buildings were retained.

Mr. Don Heston of the Human Rights Commission came forward and endorsed the concept of preserving housing and urged the Agency to reconsider construction of a parking garage which necessitated demolition of housing.

UNFINISHED BUSINESS (continued)

He indicated decent housing must be provided for low-income people and that he believed the Agency was mandated by the Federal Government to provide housing. He indicated that other agencies were responsive to such needs and noted that, for example, the Hastings Law School had proposed to demolish for a parking facility but had agreed not to do so and to aid its students in taking other transportation to the School. He believed it was difficult for the PAC to appreciate public opposition to a garage and if private enterprise were required to raise money for low-income housing people would be more anxious to preserve housing. He also believed that most of the cars came from outside the City, and that the City has an obligation to act as a cultural center. However, since poor people could not find housing in the suburbs, he did not believe the City should be obligated to provide parking. Dr. Williams believed that the implications that poor people have no investment or interest in art is falacious and that through history artists have been traditionally deprived, it was his opinion that poor people also needed art.

Mr. Charles Starbuck came forward and indicated he was appearing as an individual and not as a Commissioner of the City Planning Commission. He expressed the belief that constructing a garage on this site was an inappropriate use of land adjacent to the Civic Center and also expressed concern about the demolition of housing. He noted that he did not oppose the PAC but he did not believe a public parking garage was critical to the success of the PAC. He also commented on the Hastings Law School withdrawal of a plan to build a parking garage and its establishment of a transportation center.

He also cited, for an example of an alternative to constructing another garage, the Orpheum Theater which has successfully used a shuttle to existing parking. He also added that there was public transit to every community in the Bay Area.

President Wexler indicated that Mr. Starbuck's vote as a Planning Commissioner on the Environmental Impact Report appeared to be different from the views he had stated today because the EIR had been unanimously adopted by the Commission after its investigation of parking needs. He inquired why Mr. Starbuck now expressed a different opinion. Mr. Starbuck responded that the matter had come to the Planning Committee through the EIR process and when it was considered he believed the need for the garage was not documented and had asked the staff to further analyze that need. The Planning Committee staff supplied the data on existing parking facilities which indicated the future need for additional parking but present facilities would meet the needs of existing facilities of the PAC. He noted that even though he could determine no pressing need for parking it was only the completeness of the EIR being considered and since the report was complete there were no alternatives but to certify the EIR. President Wexler commented that there was no statement in the EIR that found parking to be adequate.

Mr. Peter Mendelsohn, Commissioner on the Aging and President of TCOR/TODCO, came forward and indicated he had always appeared before the Parking Commission to oppose demolition of housing for the construction of garages. He believed it would be a good thing for people to walk an extra block and improve their health.

UNFINISHED BUSINESS (continued)

Mr. Mike Davis of the Economic Opportunity Council came forward and indicated that the District Four Congress which was established last year considered the question of the PAC and had unanimously opposed the garage because the District needed low-income housing. He believed the Agency should alter its priority and build housing instead of parking garages. He urged that the Commissioners vote against the garage.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and indicated that WAPAC was supportive of the Pride Foundation's program and would like to keep the organization in the community in its present location. He endorsed Mr. Hardman's concern about a commitment to aid the Foundation but noted that written comments are not always sufficient. He believed the buildings could be rehabilitated for less money than new construction and expressed concern about the destruction of potentially good housing. He indicated that the newly-created Fillmore Development Corporation has been formed to rehabilitate family units inexpensively but so far has received no money. He believed that poor people loved art but urged that the PAC provide a facility which was more responsive to the needs of the City. In Mr. Townsend's opinion the community would like to see performers and activities take place in the opera house that would appeal to different classes of people, since the entertainment presented now was not broad based. He indicated Mr. Stewart had commented that the Foundation did not have a right to be in the buildings but he believed that people who had been moved out of the buildings had every right to be there rather than a parking garage. He also noted that the Agency had agreed to a motion on the demolition of housing. He believed that these properties should be considered by WAPAC and the Fillmore Development Corporation for rehabilitation.

Mr. Hamilton indicated that Resolution No. 114-77, adopted May 24, 1977, established an agreement between the Agency and WAPAC to explore creation of a local housing organization as a vehicle for rehabilitation of single-family structures. He noted that the moratorium was enacted during consideration of properties located at 1207 and 1211 Scott Street and was intended to increase rehabilitation of large single-family dwellings for people of low-to-moderate incomes. The objective of permitting persons of low-to-moderate incomes to occupy and rehabilitate these properties through the use of so-called "sweat equity" resulted in enacting a moratorium applicable to single-family housing.

Mr. Townsend believed that the agreement was not limited to single-family structures and noted that it referred to condominiums. Mr. Hamilton indicated that condominiums could be purchased individually. Mr. Townsend suggested that there should be a legal interpretation of the language.

Mrs. Mary Rogers of WAPAC came forward and indicated that she was opposed to the parking garage because the Agency had a commitment since 1964 to the community it has destroyed to provide low-cost or moderate-cost housing for displacees. She urged that the Agency continue to build housing and not destroy it. She indicated she did not care about providing cultural facilities for people from out of town and that the housing should not be demolished to provide parking for cars.

FINISHED BUSINESS (continued)

Mr. Ron Green came forward to testify against the proposed PAC parking garage and to express opposition to the PAC concept because he believed there was no need for either since he believed they only served tourists. He expressed concern about the number of cars in the City and pollution. He urged that the demolition should be contingent upon a commitment from Mayor George Moscone to provide a community center for the gay community and replacement of the 70 units of housing.

President Wexler noted that those comments concluded the public testimony. Mr. Glickman believed the Commissioners' action should be contingent upon assurance the PAC would be built and noted that his concern resulted from involvement in property that had been torn down on the premise that new development would occur, but because of various reasons it was not built. He urged that a favorable vote on demolition of these properties be made subject to receipt of evidence that the PAC and the garage will be built and this evidence should consist of more than the Mayor's commitment.

President Wexler indicated that the action before the Commissioners today was authorization to advertise for demolition bids and that award of a demolition contract could be contingent upon any restriction the Commissioners feel is necessary.

Mr. Hamilton concurred, noting that award of the demolition contract could not be delayed.

Mr. Glickman stressed the Agency's commitment not to tear down housing until there were adequate assurances the PAC would proceed and suggested that the Agency General Counsel develop language to insure this contingency. Ms. Blomquist expressed concern that if the Agency sought demolition bids the buildings could not be saved by such philosophical statements. Mr. Glickman indicated that he was addressing concerns identified through his experience as a developer and if the Agency imposed such a contingency, the buildings would not be demolished until the Commissioners were satisfied that the PAC would be built. Ms. Blomquist indicated that this was an empty gesture and it appeared Mr. Glickman was only making this statement to placate people.

Mr. Lee inquired if Mr. Glickman was suggesting a stipulation that the building application and the plans would be submitted by the PAC before demolition can proceed, and Mr. Glickman responded that he wanted even more concrete evidence that the PAC would be built. Mr. Hamilton noted that this was not an issue today but it can be incorporated when the Agency Commissioners consider award of the demolition contract.

Ms. Blomquist expressed concern that bids for the demolition contract would have to be awarded before it was known if the PAC would proceed and she urged that the advertising not proceed.

Mr. Lee indicated that he believed the contract could have a stipulation that demolition could not proceed until construction is ready to start. Ms. Blomquist inquired if a contractor could be required to hold the same price valid for six months, and Mr. Lee answered affirmatively.

Mr. Kaplan commented that the PAC has no connection with the garage and noted that the City Parking Authority now has the funds to build the garage; therefore, he did not believe the PAC should be tied to the garage.

FINISHED BUSINESS (continued)

Mr. Glickman concurred in Mr. Kaplan's statement but noted that the City had made the commitment to proceed with the garage as part of the PAC development and he stated that he could not vote in favor of demolishing the building until the PAC was assured of being built. Ms. Blomquist again urged that this was not the time to advertise the demolition contract. However, Mr. Glickman indicated that he believed the buildings could be advertised for demolition but with safeguards which insured that if the PAC is not built then the buildings would not be demolished.

In response to President Wexler's inquiry, Mr. Stewart came forward and indicated that bids have been advertised for the PAC and the Opera House extension bids are in and under estimate. Construction will be started next week. The concert hall bids will be received December 20, 1977 and the PAC will meet on December 21, 1977 and award the contract for the concert hall's construction.

Mr. Glickman inquired if conditioning the demolition of the buildings on the garage site upon start of construction of the concert hall affected Mr. Stewart's ability to proceed. Mr. Stewart answered negatively, noting that the PAC anticipated awarding the construction bid within 30 days and starting work immediately.

Mr. Hardman indicated that the financial report of Harvey Rose, Board of Supervisor's Budget Analyst, indicated that the extension of the Opera House was a separate issue from the PAC and that there was no connection between the two projects. Mr. Stewart indicated Mr. Hardman was partially correct in that bids are separate on the two developments but the Opera House extension bids have been received and are within the estimates. The concert hall bids are out but not yet received. However, Mr. Stewart reiterated that the PAC will proceed with construction within the next 30 days.

Ms. Blomquist indicated that the new Commissioners had prided themselves on bringing a new approach to redevelopment and had articulated a policy of being responsive to the housing needs of the citizens of San Francisco. She now believed that they were capitulating to the same political pressures as their predecessors and that they were taking the same bulldozer approach and voting to demolish housing for a garage as a result of political pressure. She believed that satisfying the housing needs of the City was the primary objective of the Agency and she found it difficult to believe that the "new" Redevelopment Commission could not understand and adhere to this goal.

Mr. Hamilton indicated that he did not believe there was insensitivity to the housing needs of the City. He expressed concern that there were implications that the Agency had not been committed to the provision of housing, or to increasing the City's housing inventory, and stressed that the Agency has been responsible for construction of over 8,730 housing units in all its projects. Mr. Hamilton indicated that occasionally there were great conflicts in decisions the Commissioners were required to make but people had acted in good faith and expended a great deal of effort and money on assurances provided by the Agency that this particular site would be available to the PAC garage. He indicated that the proposed program was known early in the year and he was concerned about the timing of the objections being expressed because it was now a difficult matter to explore alternatives when \$2 million had been spent on the site.

UNFINISHED BUSINESS (continued)

In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the previous directors had made the commitment with the knowledge of the preceding Agency Members. He believed that the credibility of the Agency is now at issue.

Mrs. Rogers indicated her belief that the Board of Supervisors had approved construction of the parking garage last night for \$3.9 million, and Mr. Stewart reaffirmed that at the meeting last night the Board of Supervisors had approved the contract to which both he and Mr. Borregard had made reference which included both the PAC and the garage.

Mrs. Rogers expressed disapproval of the manner in which the decision was made, alleging that it was behind closed doors and indicated her belief that the community would object to construction of the garage.

Mr. Hardman indicated that the Finance Committee of the Board of Supervisors had only two members present when the matter was considered and the item was only an addendum to the calendar and he intended to file a protest since he did not believe adequate notice was given to the public.

MOTION: It was moved by Ms. Blomquist, and seconded by Ms. Shelley that Demolition and Site Clearance Contract No. 71 in Western Addition Approved Redevelopment Project Area A-2 not be put out to bid, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist

and the following voted "Nay":

Mr. Glickman
Mr. Kaplan
Mr. Lee
Dr. Williams
Mr. Wexler

and the following abstained:

None.

The President thereupon declared that the motion failed.

Dr. Williams indicated that he would always be in favor of housing and that his vote did not preclude other actions from taking place and he urged support of both the Fillmore Center and the Pride Foundation.

MOTION: It was moved by Dr. Williams and seconded by Mr. Glickman that Demolition and Site Clearance Contract No. 71 in Western Addition Approved Redevelopment Project Area A-2 be put out to bid, and on roll call the following voted "Aye":

UNFINISHED BUSINESS (continued)

Mr. Glickman
Mr. Kaplan
Mr. Lee
Dr. Williams
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist
Ms. Shelley

and the following abstained:

None.

The President thereupon declared that the motion carried.

NEW BUSINESS

- (a) Resolution No. 241-77 designating the City and County of San Francisco, a municipal corporation, as the redeveloper of Parcel 792-A; directing that the Executive Director publish a notice of public hearing in connection with the proposed disposition of said parcel in Western Addition Approved Redevelopment Project Area A-2.

This item concerns designation of the City and County of San Francisco as redeveloper of Parcel 792-A in the Western Addition Area A-2 which is located on the north side of Grove between Franklin and Gough Streets. Mr. Hamilton called attention to the erroneous listing of the item on the Agenda which indicated the parcel was on Fulton Street. He noted that this parcel would be used for construction of the parking garage for the PAC and disposed of at a price of \$333,000.

MOTION: It was moved by Mr. Kaplan that this resolution be adopted.

Mr. Glickman inquired if the proposed designation would permit the Agency to terminate that relationship in the event the PAC is not built. Mr. Hamilton indicated that the resolution did not have the specific contingency factor previously considered and Mr. Borregard reaffirmed that there were no contingencies involved.

Mr. Glickman suggested that the designation be made subject to actual commencement of construction of the PAC so that in the event the PAC is not built that the garage would not be constructed either. He expressed again his opposition to the garage if the PAC was not built.

Dr. Williams indicated that he believed the PAC was ready to proceed since the financing was now available to start construction, but Mr. Glickman disagreed indicating that many times developers had financing available but for other reasons never started construction. He

NEW BUSINESS (continued)

suggested that a condition might be included in the designation that conditions the disposition upon issuance of the building permit because he wanted to have the assurance the developers had an irrevocable commitment to proceeding. Mr. Hamilton asked if Mr. Glickman would be satisfied if it was conditioned upon execution of the construction contract and Mr. Glickman responded negatively indicating that this did not commit the developer to proceeding. Mr. Stewart indicated that there was no problem in such a condition as he expected construction to start soon after the contract is let.

President Wexler indicated that the appropriate entity to comment on proposed condition would be the Parking Authority because it will have the obligation to construct the garage.

Mr. Hamilton noted that the resolution only authorized the Executive Director to publish a notice of a public hearing on the proposed disposition which then would lead to authorization to execute the agreement.

President Wexler inquired if prior to the time the Agency approved the disposition agreement with the Parking Authority would the Agency be in a position to terminate the City and County of San Francisco as redeveloper without exposing itself to litigation, and Mr. Hamilton indicated that was correct. Ms. Blomquist suggested that this would be the appropriate time to include contingencies in the authorization.

Mrs. Margaret Brady of the Parking Authority came forward and indicated that the authorization to construct the garage was made contingent upon construction of the PAC by the Board of Supervisors and that she had no objections to the imposition of that contingency by the Commissioners.

Mr. Glickman noted his concern about demolishing housing and not having the PAC proceed.

BUSINESS (continued)

Dr. Williams indicated that designation of exclusive negotiating rights did not preclude the Agency from being assured the development would proceed prior to demolition. Ms. Blomquist expressed concern that if the Agency designates the City as developer and did not convey the parcel, it would leave the Agency open to lawsuits. Dr. Williams indicated this has always been the case, since anyone can file a suit if he or she want to.

President Wexler indicated that there appeared to be no objections from either the PAC or the Parking Authority to imposition of a contingency which precluded disposition of the site without assurances the PAC would proceed. He inquired if Mr. Kaplan would accept an amendment to his motion, and Mr. Kaplan indicated that since it appeared the PAC was ready to proceed, he did not understand the necessity for an amendment. President Wexler noted that when the demolition bids are received the PAC construction may not yet be underway and the Commissioners did not want to demolish property until assured that construction will proceed. Dr. Williams observed that the motion had no second. In response to President Wexler's inquiry, Mr. Kaplan withdrew his motion.

MOTION: It was moved by Mr. Glickman that the City and County of San Francisco be designated as redeveloper of Parcel 792-A subject to the assurances that construction is irrevocably assured for the PAC and the concert hall.

Ms. Blomquist asked that the definition of construction be clarified and Mr. Glickman amended his motion.

MOTION: It was moved by Mr. Glickman that the City and County of San Francisco be designated as redeveloper of Parcel 792-A subject to the issuance of a building permit and to commencement of construction at which time, under law, the PAC has the irrevocable and vested right to construct the Concert Hall on the Commerce High School site. Mr. Kaplan indicated that there were three aspects of construction since three separate buildings are involved: the Opera House extension, concert hall, and garage.

MOTION: Mr. Kaplan seconded the motion.

Ms. Blomquist indicated her dissatisfaction with the staff preparation of the agenda because it did not show the street names and addresses for property being considered by the Commissioners. Mr. Hamilton commented on the material provided previously which had shown the correct locations and had referenced this issue which would have been more productive to consider earlier. Also, he noted that the site had been toured by the Commissioners. President Wexler noted that this parcel being considered for designation to the City was the same as the area identified for the garage and inquired if there were any other discussion.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Kaplan that the City and County of San Francisco be designated as the redeveloper of Parcel 792-A subject to such time as under law when the Performing Arts Center has irrevocably commenced construction of the Concert Hall on the Commerce High site, and on roll call the following voted "Aye":

BUSINESS (continued)

Mr. Glickman
Mr. Kaplan
Mr. Lee
Dr. Williams
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist
Ms. Shelley

and the following abstained:

None

The President thereupon declared that the motion carried.

President Wexler thanked all those present for their comments.

Resolution No. 242-77 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 674-B, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this item was the subject of a public hearing and related to the disposition of Parcel 674-B in the Western Addition located at 1871-75 Bush Street between Octavia and Laguna Streets. A public offering was held for sale of this Agency-owned two-unit building with preferential consideration first given to valid holders of Certificates of Preference in the selection of the successful bidder. Two certificate holders and others submitted bids and the minimum acceptable bid was set at \$14,841. Mr. Glenn R. Todd was the holder who qualified financially with his bid of \$15,451. He will utilize the Agency's Rehabilitation Loan Program to rehabilitate and develop this parcel at a cost of \$60,000. Mr. Hamilton indicated that the resolution would be corrected to delete the word "negotiated" to read "to the highest bidding certificate holder". Mr. Lee asked what the other bidders' figures were, and Mr. William McClure, Director of Rehabilitation, responded that the high bid was \$15,451 and the low was \$14,851 for certificate holders and the high on non-certificate holders was \$31,950 and the low was \$15,086.75.

ADOPTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

Resolution No. 243-77 awarding Site Improvement Contract No. 26 to Lewis M. Merlo, Inc., Western Addition Approved Redevelopment Project Area A-2.

This concerns award of Site Improvement Contract No. 26 in Western Addition A-2 to Lewis M. Merlo, Inc., for \$14,765 for construction of a retaining wall around an Agency-owned parcel at the corner of Fulton and Fillmore Streets to protect the adjacent development.

BUSINESS (continued)

ADOPTION: It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 244-77 approving an extension request under terms of the disposition agreement dated May 2, 1977 for Parcel 677-G, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this represented a request for a 90-day extension to February 1, 1978 to Mr. and Mrs. Wesley Whitehead to develop Parcel 677-G, because of modifications in architectural plans not yet completed due to a change in unit mix from 13 to 16. Time is also needed to secure evidence of financing. Mr. Glickman inquired if WAPAC had been advised of the changes, and Mrs. Rogers answered affirmatively and noted that there was no problem. Mr. Lee questioned why the extension has been requested after the deadline for seeking financing which is November 1, 1977. Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Development, noted that Mr. Whitehead had been reviewing the plans and had come in on November 1, 1977 and showed evidence of having \$300,000 to \$400,000 to go forward but he requested authorization to increase the number of units from 13 to 16. Mr. McMahon indicated that this was presented to WAPAC and a formal extension then requested of the Commissioners. Mr. Lee requested that the Commissioners be given advance notice when such matters may come up. Dr. Williams commented on his experience with the redevelopment process and noted that generous extensions had been given to others consistently. The success of this willingness to work with community people was apparent in the viable projects that were built and he urged that the Agency approve this extension and change in units. Mr. Lee urged that the Commissioners be alerted to such requests in advance. Mr. McMahon indicated that in the future he would try to get the memoranda out as quickly as possible.

Mrs. Rogers expressed concern about questioning matters concerning community developers and President Wexler noted that Mr. Lee had only questioned staff procedures with respect to submitting such requests earlier.

ADOPTION: It was moved by Mr. Kaplan, seconded by Dr. Williams, and carried unanimously that this resolution be adopted.

- e) Resolution No. 245-77 approving an extension request under the terms of the disposition agreement dated May 2, 1977 on Parcel 1129-E in the Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this was a request from the Delameter partnership to change the final date to provide evidence of financing from December 1, 1977 to February 1, 1978. The need for extension results from delays encountered in securing code variances for the solar heating system development of this five-unit parcel at the northwest corner of Sutter and Webster Streets in the Western Addition A-2 area.

ADOPTION: It was moved by Mr. Kaplan, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

BUSINESS (continued)

- f) Resolution No. 246-77 requesting the Board of Supervisors of the City and County of San Francisco to designate and describe a survey area within the City and County of San Francisco as defined in and pursuant to the Community Development Law of California.

This represents a request for the Board of Supervisors to designate an additional survey area of five and one-half blocks in the Bayview North community. This area is to be added to the residential rehabilitation project presently being studied for project execution and once it is formally designated an application will be prepared for the review and approval of the Commissioners. The area includes a portion of Third Street to be designated as an expanded area west of the industrial area. Ms. Blomquist commended the Department of City Planning for the report it had prepared.

ADOPTION: It was moved by Mr. Kaplan, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- g) Resolution No. 232-77 authorizing the Executive Director to enter into a land disposition agreement with Tenants and Owners Development Corporation for development of housing for lower-income elderly households on Parcel 3733-A and to execute a deed for conveyance of said parcel; making certain findings and determinations in connection therewith, Yerba Buena Center Approved Redevelopment Project Area D-1.

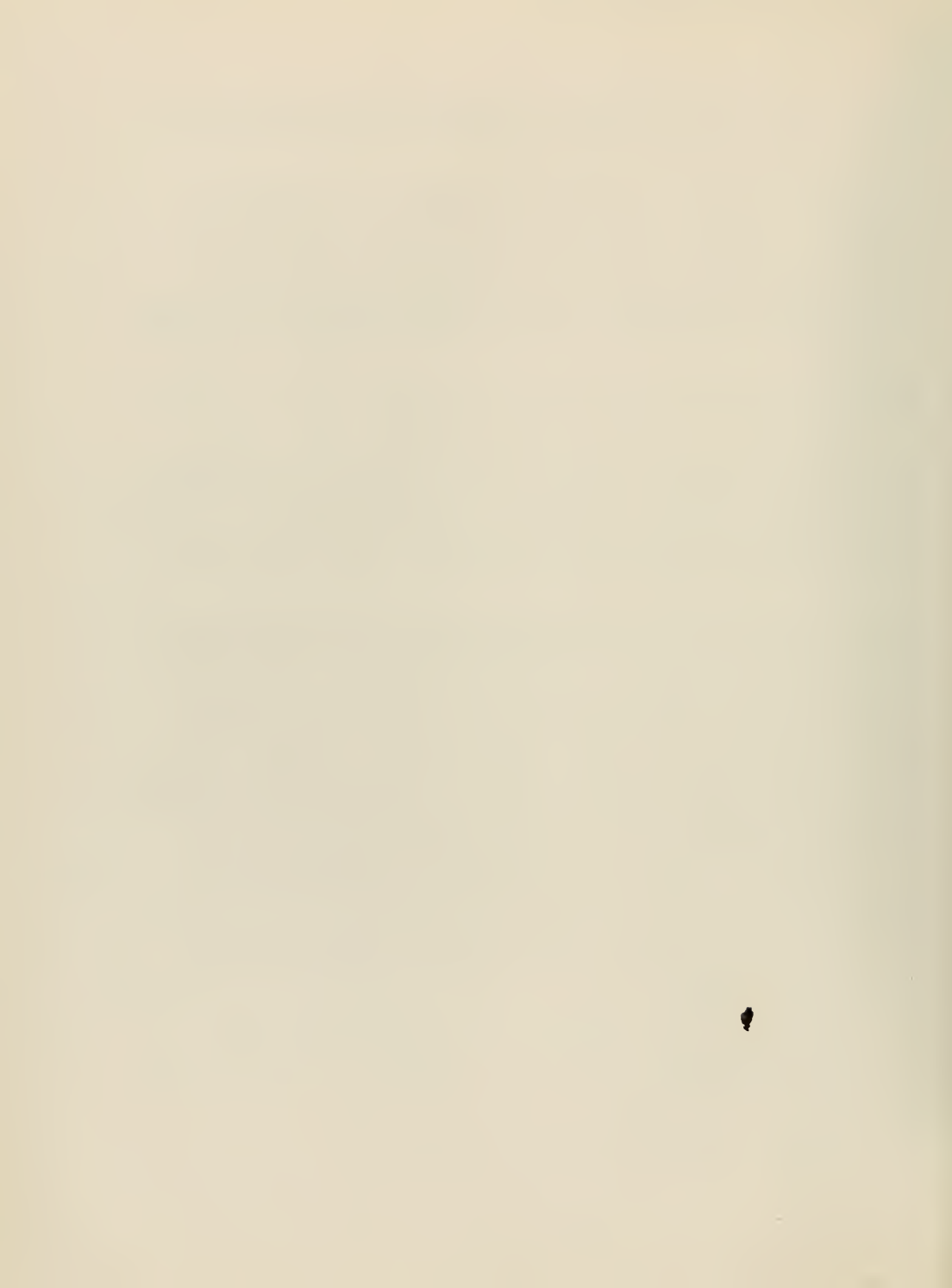
This was the subject of a public hearing just held today and concerns approval of the first of four housing developments for the elderly sponsored by TODCO using the first California Housing Finance Agency commitment for San Francisco of \$4.8 million. There will be 112 units in this first of two phases and this first one at the southwest corner of Fourth and Howard Streets will start construction before the end of 1977 and the other 79 units at the end of 1979. The City is guaranteeing the development and operation through the use of escrowed hotel tax funds. The total disposition price of \$112,285 representing \$500 per unit for the residential at \$91,000 and 3,300 square feet at \$6.45 per square foot of commercial space at \$21,285. President Wexler inquired if the architectural staff were satisfied and Mr. Hamilton responded affirmatively. Mr. Glickman indicated that he endorsed approval of this housing but would abstain from voting because he had formerly had a legal relationship with the TODCO organization.

ADOPTION: It was moved by Ms. Blomquist and seconded by Dr. Williams that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Kaplan
Mr. Lee
Dr. Williams
Mr. Wexler

and the following voted "Nay":

None



BUSINESS (continued)

and the following abstained:

Mr. Glickman

The President thereupon declared that the motion carried.

President Wexler expressed on behalf of the Commissioners their pleasure in seeing this development begin. He inquired if there were anyone who wished to comment.

Mr. Steve Dutton of TODCO came forward and indicated his appreciation to the Commissioners for getting the project underway and commented that this represented one more development to start in Yerba Buena Center. He indicated that many people did not realize how many projects are underway or have been completed in this project. Mr. Dutton noted that this housing is the first of four developments and the second will be ready within sixty days and construction will commence ninety days from now. He indicated his pleasure in working with this Commission.

Mr. Glickman commended Mr. Bob Herman on the design of the building for the fine job he had done, and also congratulated Mr. Peter Mendelsohn of TODCO for his work.

Resolution No. 247-77 awarding professional services contract to Skidmore, Owings, and Merrill for urban design services, Yerba Buena Center Approved Redevelopment Area D-1.

This represents execution of a contract with Skidmore, Owings and Merrill not to exceed \$120,000 to provide the Agency with the necessary data to establish a new development policy for Yerba Buena Center. The firm has six and one-half months to complete its work and will provide interim information sufficient to satisfy the Environmental Impact Report process.

Ms. Blomquist indicated that on October 25, 1977, the amount had been \$75,000 to \$100,000 and asked the reason it was not higher. Mr. Redmond Kernan, Deputy Executive Director for Planning and Development, explained that he had been hesitant to give a preliminary estimate of the fee and the scope of services had been altered several times because the information on the apparel mart was not complete and the consultant would be asked to look at additional alternatives. Mr. Kernan indicated, in response to President Wexler's question, that there needed to be design guidelines established soon on parking requirements as well as how the program will be marketed.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Kaplan, and unanimously carried that this resolution be adopted.

BUSINESS (continued)

- (i) Resolution No. 248-77 amending Resolution No. 221-77 adopted November 1, 1977, establishing classifications and compensation schedules for Agency staff.

This represents an amendment to the salary resolution by adding eight new classes and deleting one. These new classes accommodate the reorganization of the Residents and Business Services and Graphic staffs, as well as the secretarial and stenographic secretarial positions. The deletion of confidential secretary is a ministerial act since the position is replaced by that of executive secretary. These changes are consistent with the Civil Service proposals and action is to be effective November 27, 1977. The action increases three classifications in amounts ranging from a low of 1/2 percent to a high of 5 percent. President Wexler asked if the union representatives had any comment, and Ms. Shirley Wysinger of Local 400 indicated the union had met and agreed to the changes.

ADOPTION: It was moved by Mr. Kaplan, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

RS NOT APPEARING ON AGENDA

- a) Mr. Hamilton indicated that there had been some question on the resolution dealing with the TODCO conveyance and asked if Agency General Counsel Leo E. Borregard would comment. Mr. Borregard indicated that there may be a question of language on the requirements under the California Community Law and President Wexler recommended that staff supply the appropriate citation.

ORNMENT

was moved by Ms. Shelley, seconded by Mr. Kaplan, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 7:05 p.m.

Respectfully submitted,



Helen L. Sauser
Secretary

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1/77
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF DECEMBER, 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of December 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

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and the following was absent:

Walter F. Kaplan

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, and Gene Stancil, Western Addition Project Area Committee (WAPAC); Teall Henderson and Keith Davis, San Francisco Coalition; Walter Wotman, American Properties; Donald Flynn, Burger King; Melvin Dagovitz, West Coast Properties; Lavolia Baker, Victorian Square Owners; and Jess Centeno and Essie Collins, interested citizens.

Representing the press was Dan Borsuk, San Francisco Progress.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 780-D, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 780-D, Western Addition Approved Redevelopment Project Area A-2.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and indicated that he had a letter on November 28, 1977 which indicated that at a future Agency meeting this matter would come before the Commissioners. Since the letter did not say what meeting, the item was not calendared on WAPAC's agenda for consideration by its board last Tuesday and therefore WAPAC had no recommendation. He requested that the item be held over until WAPAC had the opportunity to vote upon it.

Mr. Hamilton indicated that although he was unsure of the date, WAPAC had been advised by Mr. Gene Suttle, Western Addition A-2 Project Area Director, that the item would be calendared for today's meeting. Mr.

SPECIAL APPEARANCES (continued)

Townsend indicated that he was advised after WAPAC's board meeting.

Mrs. Mary Rogers of WAPAC came forward and noted that this was a matter which should be considered by the full board. She acknowledged that the matter had been referred to WAPAC on August 24, 1977, but indicated that WAPAC had not made a recommendation since there were other more pressing matters to consider. She asked that it be tabled so WAPAC could act on it.

Mr. Hamilton indicated that he had no objection to holding the item over for one week, but Mrs. Rogers indicated that WAPAC's next Planning and Development Committee meeting would be December 15, 1977 but the board would not meet until the last Thursday of the month to consider the item.

Dr. Williams indicated that he felt strongly that the Agency's recommendation should agree with that of WAPAC and he requested that the item be held over until WAPAC could review it because of the sensitivity of the community on the subject of land disposition.

President Wexler inquired if there were any time parameters such as loan commitments which required action at a particular time, and Mr. Suttle answered negatively and indicated that Mr. Jess Centeno was present if there were any questions.

Mrs. Rogers objected to the procedure whereby the Agency disposes of land to the developer who then seeks financing and stressed her belief this contributed to the non-performance of developers. She indicated that she believed developers should have their financing prior to being designated.

Mr. Jess Centeno came forward and indicated that he would appreciate action of the Agency now because after approval it will take three months to have plans approved, and he was concerned about prices escalating. President Wexler inquired if Mr. Centeno had bids, and he replied that he had plans ready and was ready to seek bids. President Wexler noted that it appeared WAPAC could consider the matter at its December 15, 1977 Planning and Development meeting and action could occur before the end of the month. Mrs. Rogers expressed concern that she had not seen the plans but Mr. Centeno indicated he had presented the plans to WAPAC in August.

Mr. Townsend noted he had seen the plans but Mrs. Rogers indicated these were not the final plans for the two units of family housing. Mr. Centeno responded that although he did not have the dimensions on the plans in August, the final drawings were essentially the same.

President Wexler recommended that Mr. Centeno, WAPAC, and the Agency staff get together and advise the Commissioners before next week's meeting as to the most appropriate time to recalendar the item. He asked that the needs of WAPAC and the developer be taken into account to see how best to accommodate them.

Mr. Hamilton indicated that this would be done. He explained that staff generally brings only matters to the Commissioners that WAPAC has acted upon but indicated that in the WAPAC agreement there was a provision which allowed a maximum of forty-five days for WAPAC's review and since this matter was referred three months ago, staff would be pleased to meet with the developer and WAPAC, but he wished to call attention to the fact that

SPECIAL APPEARANCES (continued)

timely response from WAPAC was a matter of some concern. In response to President Wexler's Inquiry, Mr. Centeno indicated that he would meet with WAPAC and staff after the meeting to work out the meeting time. Mrs. Rogers indicated that she believed the Agency also had obligations to make timely responses.

Mr. Glickman indicated his belief that WAPAC should review all plans and proposed buildings in the area but noted that developers had certain deadlines that had to be met. He indicated this has always been a problem and urged staff to coordinate the review of proposals more closely with WAPAC because of the speed with which financing changes and contractors' bids change.

Ms. Shelley indicated she was uncertain of what the organizational function of WAPAC Planning and Development Committee was and inquired if the Committee could make a decision on the matter. Mrs. Rogers responded that the Committee made no decisions but sent matters to the full board with a Committee recommendation. She expressed concern that proposals are submitted through the Central Office and that they are delayed there.

Mr. Townsend indicated that WAPAC had had the matter since August 23, 1977 but believed Mr. Centeno should have submitted final drawings with dimensions. He indicated that the Committee can consider this matter at its meeting December 15, 1977 and that there may be a sufficient number of board members available to determine informally their reaction to the proposal. Ms. Shelley inquired if Mr. Townsend believed there was some hope of consideration, and Mr. Townsend responded affirmatively.

President Wexler encouraged the interested parties to meet and work the problem out.

RULE OF THE CHAIR: Subject to any objections from the Commissioners, the Chair ruled that the public hearing would be continued for two weeks and at that time or before a report would be provided to the Commissioners on when the matter could be recalendared. There were no objections.

Mrs. Rogers indicated she would try to make this accommodation. Dr. Williams indicated that normally he was supportive of staff but expressed concern about sensitive areas such as development proposals and expressed concern that matters are already fait accompli when presented to the Commissioners.

In response to inquiry, Dr. Williams noted that Mr. Centeno has completed plans and that his investment has to be respected. He expressed concern that proposals are brought to the Commissioners at that point and their decision-making powers are then limited. He believed there needed to be a better understanding. Ms. Blomquist concurred in Dr. Williams' statement.

Mr. Hamilton indicated that the plans had apparently not been changed from the original set and explained that before staff can bring the proposals to the Commissioners many things have to be done and the developer must undertake some risk to develop plans to make both WAPAC and staff knowledgeable about his proposal and capacity to perform. Without such preparatory work there is no basis for bringing matters to the Commissioners. Mr. Hamilton indicated that developers risk making certain expenditures on the assumption the Agency will perform in good faith in accordance with the terms of the offerings which are reviewed and authorized by the Commissioners.

SPECIAL APPEARANCES (continued)

He stressed that there is no attempt to preempt the Commissioners' prerogative. Dr. Williams noted his acceptance of this procedure but noted that he did not wish to feel obligated to vote on any proposal because the plans are complete.

President Wexler indicated the matter had been continued and staff, WAPAC, and Mr. Centeno would work to resolve the matter.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 726-B, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 726-B, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Yesterday the Hunters Point staff, including Mr. James Wilson, Area Director of Hunters Point and India Basin Industrial Park, met with Mr. Robert Embry and Ms. Donna Shalla, Assistant Secretaries and representatives of the Department of Housing and Urban Development (HUD) and Claude Carpenter of the Bayview-Hunters Point Joint Housing Committee and toured the Hunters Point project to examine the area where the San Francisco Housing Authority buildings are adjacent to Housing Sites 4 and 5. They were considering the question of economic impact on the subsidized housing on the Hunters Point area and staff will have to await their recommendations on HUD's policy decisions on demolition of public housing units.
- (b) The National Association of Housing and Redevelopment Officials (NAHRO) is convening a Conservation Strategy Workshop at the Sheraton Palace Hotel from December 7 to 9, 1977. Mr. Hamilton indicated he was one of the panelists, as was Mr. Yori Wada, who would make a presentation on the Nihonmachi development.
- (c) The next buildings to be moved in the Western Addition Area A-2 will be from 1692 Post Street on December 7, 1977 and from 1716 Buchanan Street on December 8, 1977.

President Wexler inquired if Mr. Hamilton believed there would soon be any decisions from HUD on demolition of the public housing and authorization to proceed with the housing in Hunters Point Sites D and E, and Mr. Hamilton indicated that he thought a favorable decision would be forthcoming.

NEW BUSINESS

- (a) Resolution No. 253 77 authorizing the Executive Director to enter into a disposition agreement with Jess Centeno, Jr. and Annelita L. Centeno his wife, and execute necessary conveyance instruments; and ratifying and confirming publication of a notice of public hearing;

NEW BUSINESS (continued)

the sale of Parcel 780-D, Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated this item would be held over for two weeks.

- (b) Resolution No. 254-77 approving the disposition price and method of sale, ratifying publication of notice of public hearing, and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 726-B, Western Addition Approved Redevelopment Project Area A-2.

This was the subject of the public hearing just held and concerns disposition of a 24-unit apartment building to the highest of the noncertificate holders bidding on the property. Mr. Michael Conti bid \$65,000 for the rehabilitation of 1775 O'Farrell Street. There were three certificate holders bidding but one withdrew, one exercised his rights for preference on another building, and one could not qualify, after staff had worked with him for many months. Mr. Conti will utilize the Agency's Rehabilitation Loan Program for a loan of \$420,000 to purchase and renovate the building. President Wexler indicated that the second paragraph of the resolution referred to a "negotiated" sale when in reality the disposition was a result of the bidding process and inquired if this could be altered. Mr. Hamilton indicated it would be changed to reflect the award by bidding.

Mr. Glickman inquired about the bids from the noncertificate holders and Mr. Hamilton indicated that the certificate holders had withdrawn at their request. President Wexler inquired why the highest certificate holder could not proceed, and Mr. William McClure, Director of Rehabilitation, responded that he had bid substantially above the other certificate holders but that he gave no reason why he did not wish to proceed.

Dr. Williams inquired if WAPAC had any questions. Mr. Townsend indicated there was no problem and noted that the request to go out to bid was brought before the Planning and Development Committee of WAPAC and the recommendation was brought to the full board and approved. He had hoped that a certificate holder could have had the building but WAPAC had no objection to Mr. Conti.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 255-77 rejecting development proposals for Parcel 738-B, Western Addition Approved Redevelopment Project Area A-2.

This item concerns rejection of proposals from three prospective developers and directs staff to solicit new proposals. The three proposals were received from: (1) Donald Flynn, representing the Burger King Corporation, for a 3,000 square-foot restaurant, which staff believed was an under-utilization of the site; (2) Melvin Dagovitz, representing West Coast Properties, for a four-story office building on the 8,800 square-foot Van Ness frontage only with 4,400 square feet of commercial area on the ground floor, which staff believes is also an under-utilization of the site; and (3) Walter Wotman, representing the American Properties, for a 147-unit condominium apartment consisting of two 13-story towers and two floors of

NEW BUSINESS (continued)

commercial and retail space on Van Ness Avenue frontage with parking provided in four floors on the Eddy Street portion of the site, which caused staff some concern in regard to the financial feasibility of the development. This proposal came close to meeting the Agency's objectives for the site but it would require at least nine months from the date of developer designation to determine the financial feasibility of the project, and, in addition, the general partnership originally proposed has changed and some of the proposed partners have withdrawn and the staff believes this significantly weakens the developer's capacity to perform.

MOTION: It was moved by Dr. Williams that this resolution be adopted. Ms. Blomquist inquired if the three developers had been notified and Mr. Hamilton responded affirmatively. She inquired when the parcel would go out for reoffering, and Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Development, came forward and indicated that it would be immediately and that all interested parties on the general mailing list will be notified by letter and by advertisement in the newspapers. President Wexler inquired when the advertising would be placed, and Mr. McMahon indicated the offering would be prepared and advertised in the newspapers. President Wexler inquired when the advertising would be placed, and Mr. McMahon indicated the offering would be prepared and advertised within the next three weeks.

MOTION: It was moved by Mr. Lee and seconded by Dr. Williams to adopt the proposed resolution.

Mr. Townsend came forward and indicated that the WAPAC board supported the proposal submitted by American Properties. He indicated staff wanted to go out to bid again but he thought the American Properties' proposal was better than the others and it should be awarded the site. He indicated American Properties had made commitments to WAPAC which would benefit the minority businesses and also aid new business people to locate on Van Ness Avenue. In reference to the partnership changes, Mr. Townsend indicated this was done at the request of one of the partners because he was a general contractor and the other partners would be obligated to consider his bid, so he withdrew. He urged that the parcel not be put out to bid again because now the others submitting proposals would have a chance to alter their submittals and he believed this was unfair.

President Wexler thanked him for his comments and inquired if any of the potential developers were present and wished to comment.

Mr. Melvin Dagovitz, representing West Coast Properties, came forward and indicated that the offering was for two parcels which were offered individually, and he read from the offering brochure the sentence indicating that the proposals were to be for development of the Van Ness Avenue and/or Eddy Street parcel. He believed he should not be penalized since both parcels were offered individually, and it should have been made clear that preferential consideration would be given to submitting a proposal for use of both parcels. He indicated that his firm's proposal to construct an office building would lend itself to the continuity of the other Van Ness Avenue business properties. He believed that residential use should be built in residential areas and not in a commercial area. That was the reason for the firm's single offer on the Van Ness Avenue parcel.

NEW BUSINESS (continued)

Mr. McMahon came forward and indicated he had forwarded a letter to Mr. Dagovitz which he believed clearly indicated that the property could be developed in its entirety as well as only on either parcel. President Wexler inquired if there was anything in the letter to indicate preference for developing the entire parcel, and Mr. McMahon responded that no preference had been stated in the letter. President Wexler inquired if the staff position was then that it made sense to integrate both parcels into one, and Mr. McMahon indicated his belief that the offering brochure explained the Agency's objectives for the site and what the Agency wanted in development, and President Wexler again asked if there was anything which indicated that an advantage would be given to anyone who submitted proposals to develop the full site. Mr. McMahon answered negatively. President Wexler indicated that he believed the Agency was obligated to give prospective developers the best information it has on what is wanted on a particular parcel. He believed the Agency had an obligation to the community and WAPAC to clearly specify its decisions or objectives. Mr. McMahon indicated that there had been conversations with Mr. Dagovitz and he believed the letter sent to developers who had expressed an interest sufficiently indicated the Agency's objective to have the parcels developed as one entity.

President Wexler asked Mr. Dagovitz if it was his understanding that the proposal was to have been for the entire parcel, and Mr. Dagovitz responded negatively and noted that originally he had been interested in the corner parcel, however, if he had understood the Agency preferred a proposal on both parcels he would have considered making a proposal on the total parcel.

Mr. Glickman indicated that there appeared to be a lack of communication and he believed there was no choice but to put the parcel out to bid again in public offering. Mr. Townsend inquired if the offering would be on the entire parcel and Mr. Glickman answered affirmatively noting that since the letter interprets the material in a conflicting way there was no other fair resolution.

President Wexler inquired if there were other developers present who may wish to comment.

Mr. Walter Wotman, representing the American Properties, came forward and indicated that the partnership agreement had been altered but he did not believe this change would weaken their proposal. He noted that they lacked only a strong general contractor and indicated that banks have expressed interest in financing the project. He believed that the change of partners did not constitute a change but rather an addition. He indicated that he could not ask the new partner to commit himself for four months longer if the offering is to take another sixty to ninety days. He indicated the American Properties had worked for four or five months on this proposal and the key element is the Van Ness Avenue parcel.

Ms. Blomquist indicated that it appeared a commitment had been made and she believed that staff was acting too rapidly to take it away. President Wexler indicated that no commitment had been made and that the issues being considered were whether to designate one of the three developers or reoffer the parcel.

Mr. Donald Flynn, representing the Burger King Restaurants, came forward

NEW BUSINESS (continued)

and indicated that he wished to construct a restaurant, noting the benefit it would provide to the community through employment. He added that it was the first time he had attempted to purchase a parcel from the Agency and had understood that the Agency wanted the whole parcel developed. He had spent time with the firm of Whisler-Patri studying the feasibility of subsidized rental housing and construction of an office building, as well as other possibilities. It was concluded that these alternatives were infeasible but he believed that Mr. Dagovitz could build his office and he could build his restaurant. In his opinion it was impractical to build condominiums.

President Wexler thanked the prospective developers for their comments.

Mr. Hamilton recommended that all proposals received be rejected. He expressed his belief that all respondents knew the Agency had preference for having the entire parcel developed but since the letter referred to could be construed to alter the offering, and there was uncertainty about the capacity of American Properties to proceed. Mr. Hamilton recommended that all proposals be rejected and the parcel be reoffered under clearly defined conditions.

As a personal point of privilege, President Wexler indicated that he could possibly be precluded from acting on this matter since he believed Mr. Anthony Gough may be still a client of his law firm. Mr. Gough replied that he had been but was not now a client. Dr. Williams reaffirmed his support for his motion indicating that after hearing the testimony he believed there was sufficient misunderstanding that the parcel should be rebid.

ADOPTION: It was moved by Dr. Williams and seconded by Mr. Lee that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Glickman
Mr. Lee
Dr. Williams

and the following voted "Nay":

None

and the following abstained:

Mr. Wexler

The President thereupon declared that the motion carried.

President Wexler indicated he would abstain from voting on this matter until he was confident there would be no conflict of interest incurred by his participation. He encouraged all three developers to participate in the offering. President Wexler also asked staff to make the reoffering so clear that there would be no misunderstanding about the Agency's objectives for development of this parcel.

NEW BUSINESS (continued)

- (d) Resolution No. 249-77 approving addition of certain classifications to the Civil Service Association, Local 400 Bargaining Unit.

This represents an amendment to the Memorandum of Agreement with the Agency's Civil Service Association, Local 400, to include four new classifications and to change the titles for four previously adopted classifications, effective November 28, 1977. President Wexler inquired if the Union had concurred in the changes, and Ms. Shirley Wysinger indicated that the Union essentially agreed with the changes.

Mr. Earl Mills, Director for Social Services, indicated his belief that the proposal was agreeable to the individuals affected.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton indicated that he had received a request from the future owners of the Victorian Square properties on Fillmore Street to make a presentation. Mrs. Lavolia Baker was the spokesperson.

Mrs. Lavolia Baker came forward and indicated that she was speaking on behalf of the Victorian Square Association composed of local business people from the Western Addition area to present their concerns regarding the proposed housing for family units that is to be built on the corner of Webster, Sutter, and Post Streets. She expressed grave concern that the low-cost housing project would be detrimental to the interaction of commercial uses that she believed was necessary to achieve the overall objective of the Victorian Square project. She was specifically concerned that such housing would deter prospective customers from the Bush/Pine Streets area and from Japantown. She also indicated that at the time the business people had made their developmental commitments, they had been informed that it was questionable whether this housing project would ever be built but now that Victorian Square project was nearing completion they had been notified construction of the housing project would commence soon. She expressed concern about the planned distribution of uses which she believed gave no consideration to Victorian Square. She stressed that the business people did not oppose low-cost housing but were concerned that Victorian Square would be isolated from other commercial activities. She indicated she had been in the Western Addition area for some time and had long been a supporter of housing for the low-to-moderate income people but now business people had invested their savings in Victorian Square and had tried to alter the image of Western Addition by creating a commercial center. She urged that the Commissioners consider relocating the low-cost housing to other vacant land in the area. She reiterated her concerns about the detrimental effects she believed the housing would have on the commercial activities in the Bush/Pine Streets area and the Japanese Cultural and Trade Center. She indicated that a detailed feasibility study had been done and it showed the need for interaction of other commercial uses and that housing would be detrimental if built there.

President Wexler indicated that the housing parcel in question was recently acted upon by the Commissioners; however, he did not recall there having been any opposition from the Victorian Square owners at that time, and if that were true, he inquired why she or the other owners had not been present at that time. Ms. Baker stated that they had not been advised that the housing development was again being processed. President Wexler indicated that approval for that

MATTERS NOT APPEARING ON AGENDA (continued)

housing had come after the Victorian Square owners had been designated and Ms. Blomquist reaffirmed this. Mr. Hamilton indicated, however, that the housing development was again considered when new entities were designated on August 9, 1977. Ms. Baker indicated that the Agency had originally designated the housing sponsor in 1968 and affirmed this statement but noted that the Victorian Square property owners were designated before the most recent actions on the housing development. President Wexler indicated that would have been the proper time to have acted. Ms. Baker indicated this would have been done if the prospective owners of Victorian Square had known about it. In response to President Wexler's inquiry, Ms. Baker indicated she was not now active in WAPAC, but some members of the Victorian Square were. She again urged that consideration be given to locating the housing on another site.

Mrs. Essie Collins came forward and indicated that she had only learned that the housing was proceeding today and had not been aware that it was to be built. Ms. Baker indicated that the Department of Housing and Urban Development (HUD) would agree to locating the housing on another site and she urged the Commissioners to obtain a ruling from HUD on this matter because she believed the success of Victorian Square depended upon having related commercial facilities adjacent to it and not housing. She also indicated that the success of the Fillmore Center would be influenced by Victorian Square.

President Wexler noted that Victorian Square was unfortunately separated from the Fillmore Center by Geary Street and he questioned whether the Center's success would depend upon Victorian Square. Ms. Baker indicated that people should be encouraged to come back into the area and that she was concerned about the success of black business people.

Ms. Shelley inquired about the status of the housing project and whether an attempt could be made to change it, and Mr. Hamilton responded that he believed it was too late since the project was near to closing and a potential loss of \$3 million in loan commitments could result if the housing was not built on this site. It is a Section 236 commitment which is not transferable to another site. He indicated it had been a struggle to keep the commitment alive and that the proposal to move the development was infeasible because it would take several years to clear another site of that magnitude. He also reported that plans were fully completed and the building permits obtained. Ms. Baker indicated she had been led to believe by HUD that the housing could be moved. Mr. Hamilton indicated that staff had had many meetings with HUD and there had been difficulty in holding onto the commitment on this site since HUD had questions concerning sponsorship but there had been no suggestion of transferring to another site. He added that no other site was available that was large enough to construct this low-cost housing. Ms. Baker noted that the Agency had paid a consultant, Curtis and Associates, to do a feasibility study and that this consultant had recommended that the housing would be detrimental to the Fillmore Center. Mr. Hamilton indicated there was no choice as to where to build the housing and that Victorian Square had been considered, but the Agency could not violate a commitment on housing.

Mrs. Collins indicated that she continued to support construction of housing but she also noted that it was essential to the community to have the Fillmore Center producing income and the need for economic growth in the area. There is housing but no commercial centers, and she believed people should take a serious look at the issue.

MATTERS NOT APPEARING ON AGENDA (continued)

Mrs. Rogers came forward and expressed her belief that the Victorian Square property owners appeared to support low-cost housing as long as it was not next door to them. She indicated that this was the last of the 236 housing projects to be built and that even with subsidies rents would be \$195 per month for a studio, which was not exactly low-cost housing. She indicated that WAPAC wanted the housing to conform to the Victorian Square design and she did not believe it would have a detrimental effect on the business center, adding that WAPAC was responsible for the concept of the Victorian Square and had saved the buildings for the development. She urged that the low-cost housing be constructed and indicated that it was more properly termed moderate-income housing. She suggested that the Victorian Square owners attend the WAPAC meetings so they could be informed of its considerations. She also noted that they were putting housing over the commercial uses in their development. She indicated that the community needed all the housing units it could get.

Mr. Lee inquired of Agency General Counsel Leo E. Borregard what the Agency's liability would be if the housing designation were rescinded, and Mr. Borregard replied it would depend upon the level of the commitment. If there was a disposition agreement the Agency would have liability if it were rescinded.

Dr. Williams indicated that it was strange to hear people objecting to having neighbors with less money and agreed with Mrs. Rogers that there was no longer low-cost housing. He noted that since only one-third of the units were reserved for low-income people and two-thirds of the units were to be made available to people who could afford moderate-rate housing, he believed this housing development would be a contribution to the community's stability. He indicated that the 236 housing commitment had been extended by HUD and reaffirmed on August 9, 1977 and he would have objections to any consideration that the Agency would lose this opportunity for building this housing. He also noted his support for the Victorian Square business community which he believed would provide essential services to the community.

Mr. Glickman indicated that the Agency had a moral and ethical obligation to the developers and inquired if the principal in the housing development, Mr. Paxton Beale, were notified if this was to be calendared today. Mr. Hamilton answered negatively noting that no action was calendared but the Victorian Square owners had requested an opportunity to advise the Commissioners of their concerns. Mr. Glickman believed that Mr. Beale should have been notified and he also believed that there was some misinformation that had been given to the Victorian Square owners because it was unlikely people would be deterred from shopping there.

Mr. Townsend came forward and indicated that the problem was not from the low-income units but from poor planning decisions in the area. The Fillmore-Sutter development should have been a prime commercial corner and the Victorian Square and Municipal Railway substation should have been used to create a major commercial corner. He indicated that WAPAC had prevented the Victorian buildings that are now in Victorian Square from being moved to the waterfront but the planning decisions to put housing in this area were made long ago. He believed that the Paxton Beale site would provide a few more customers for the Victorian Square businesses.

President Wexler indicated his concurrence with Mr. Townsend's remarks but noted that these decisions had been made in the past and although he did not believe they were the best, at this time there appeared to be no option about where to place the housing. Mr. Townsend indicated that Curtis and Associates

MATTERS NOT APPEARING ON AGENDA (continued)

had communicated to him that HUD had indicated the project could be moved but he did not know who on HUD's staff had made this statement. He indicated he would get that information to the staff. He also noted that Paxton Beale has not yet started construction but costs would escalate rapidly if there were delays. Ms. Blomquist indicated she was also interested in seeing the information.

Mrs. Rogers indicated that on May 27, 1977 she and Paxton Beale had met with HUD and were given specific dates to be met if the project was to proceed. She reiterated that the community could not afford to lose that project. President Wexler inquired if any action needed to be taken because the project needed to go forward, and Mr. Hamilton answered negatively. President Wexler thanked everyone for their comments and indicated that the Agency had no choice other than to proceed under the circumstances.

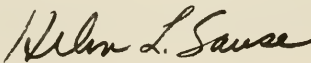
Ms. Baker indicated her concern that Dr. Williams had misunderstood her comments since it was not the intention of the Victorian Square people to stop construction of housing but to express concerns that it was inappropriate next to a commercial center. She indicated that rather than stop the housing she would give up the commercial center and reiterated her belief that the housing could be moved to another site.

- (b) Mr. Townsend indicated that Mr. Hamilton had read a portion of Resolution No. 114-77, adopted May 24, 1977, at last week's meeting concerning the agreement with WAPAC on the moratorium on demolition of buildings. He indicated that Mr. Hamilton had believed it had nothing to do with properties other than single-family structures. He believed that this was not true and that the resolution concerned preservation of all structures. He asked that the vote on the Performing Arts Center be rescinded since the Agency and WAPAC had agreed to the moratorium. President Wexler suggested that he consult with Agency staff and work out the matter. Mr. Hamilton indicated his belief that the two issues could be resolved.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:55 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

SF
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#4
12/20/77

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF DECEMBER, 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of December 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee

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and the following were absent:

Walter F. Kaplan
Dr. Hannibal A. Williams

DOCUMENTS DEPT.
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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Gene Stancil, Western Addition Project Area Committee (WAPAC); Hal Dunleavy, consultant; and Herman Lyons, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the minutes of a Regular Meeting of November 22, 1977, as corrected and distributed by mail to the Commissioners be approved. It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of the Executive Meeting of November 29, 1977 and December 6, 1977, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 780-D, Western Addition Approved Redevelopment Project Area A-2. (Continued from December 6, 1977).

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 780-D, Western Addition Approved Redevelopment Project Area A-2.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated that she wanted to know if a developer was required to have a general contractor or if he could be his own contractor. She was concerned because of possible ramifications concerning

SPECIAL APPEARANCES (continued)

an affirmative action program for the development. Mr. Hamilton indicated that there were no Agency requirements preventing Mr. Jess Centeno, Jr., the owner, from acting as his own general contractor. He stressed that this would not affect the affirmative action program since staff would monitor it in the same manner as though he were using a general contractor. Mrs. Rogers inquired then if anyone could act as their own general contractor, and Mr. Hamilton replied that as a practical matter lending institutions require that developers have licensed and bonded contractors for approval of financing, but if the lending agent does not require it there is no basis for requiring use of a general contractor. Mrs. Rogers inquired who was financing this parcel, and Mr. Phil Westergaard, Business Development Specialist, responded that at this time this was not known. Mr. Hamilton indicated that the source of the financing was not before the Commissioners at this time. Mrs. Rogers responded that she did not believe all of the answers were clear and again asked if any developer could build without having a general contractor, and the source of the financing for the Centeno development.

President Wexler indicated that after the disposition agreement is authorized then the developers are given a certain time to secure financing and he did not believe there was anything unusual about the proposed action. Mrs. Rogers indicated that she did not believe disposition generally occurred without having the matter go out to bid, and again asked if it is necessary for a developer to use a general contractor. President Wexler indicated that there may be some requirement from the developer's financial institution that a bonded contractor be employed but this is not a requirement of the Agency. Ms. Blomquist indicated that she believed the item was only authorization to execute a disposition agreement and that it would still be necessary for the developer to secure financing and the matter would again come before the Commissioners.

President Wexler indicated that the Commissioners' adoption of the resolution would authorize conveyance of the property and the matter would not come before the Commissioners again unless Mr. Centeno could not secure financing. He noted that Mr. Centeno is being given an opportunity to seek such financing within a specified time period.

Agency General Counsel Leo E. Borregard indicated that disposition agreements require developers to adhere to all state and local laws, and Mr. Centeno would have to comply with these regulations including those pertaining to affirmative action. President Wexler indicated that if the development were more significant in size and scope staff might impose a requirement that a bonded general contractor be used. Mr.. Hamilton concurred.

At this point Mr. Glickman joined the meeting at 4:25 p.m.

There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

SPECIAL APPEARANCES (continued)

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-R, Site 4, Yerba Buena Center Approved Redevelopment Project Area D-1.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-R, Site 4, Yerba Buena Center Approved Redevelopment Project Area D-1. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (c) President Wexler indicated that request to speak to the Commissioners had been received from Mr. Herman Lyons of 1463 Hudson Avenue in the Hunters Point area.

Mr. Herman Lyons came forward and indicated that he owned the property at 1463 Hudson Street and that he and his neighbors were affected by the grading of the land behind their homes because it had made a bank higher than his fence. He expressed concern that there was no retaining wall erected by the Agency and believed that such a wall was necessary to deflect the flow of water across his backyard during heavy rains. He claimed that he had obtained no satisfactory solutions from the Agency's engineering department on the matter but had been informed that the land was for sale and when it was developed any problems would be taken care of.

President Wexler asked if Mr. Redmond Kernan, Deputy Executive Director for Planning and Development, could comment on the matter and Mr. Kernan came forward and indicated that he was only recently aware the matter was to be discussed today but that he knew of the complaint. He indicated that Mr. Lyons's property was outside the project boundaries and that the adjacent lots inside the boundary had been regraded and the level of the lots raised. He noted that this regrading did not alter the flow of water although originally there was some dirt carried by the runoff but staff had recently observed this area and that there appeared to be no problem or damage to the properties since there was neither any deposits of dirt on the properties nor any wet basements. He noted that the dirt bank is sloped and therefore there is no need for a retaining wall. In Mr. Kernan's opinion he did not believe Mr. Lyons had been damaged and that it did not appear any remedial work was needed. He indicated that the vacant lots would soon be developed and the water flow in the area further diminished. Mr. Kernan noted that earlier staff had offered to see if a drain to catch any runoff through use of a sewer line running through Mr. Lyons' property and connecting with the main sewer line at Hudson Avenue could satisfy any complaints. No conclusions were reached and since no written communications on the matter had been received, it was believed to have been resolved.

Mr. Lyons indicated he had a list of property owners affected by the water running through their yards. Mr. Kernan indicated that the flow of water was a difficult issue and his understanding was that if the flow was unchanged from its historic direction then the upper property owner has no obligations to the lower owners. If there is a new problem

SPECIAL APPEARANCES (continued)

then there would be an obligation but he believed this was a legal issue and should be studied by the attorneys.

Mr. Glickman inquired if Mr. Kernan had seen the property recently and he responded that he had seen it two weeks ago and thought the problem had been resolved. Mr. Glickman asked if there had been any new development since that time. Mr. Lyons indicated he had the problem all the time, and the dirt was higher than his fence. In addition, he had been told a storm drain would be installed. Mr. Glickman again inquired if there were current developments, and Mr. Kernan answered negatively and recommended that the legal staff look into the matter. He noted that earlier the proposal to put in a drain line was made without admitting any liability. Staff had suggested that a drain line could be put through the property at an approximate cost of \$7,000 but at that time Mr. Lyons suggested that the Agency pay him the money and he would do the work himself. At that point negotiations collapsed.

Mr. Lyons expressed the belief that he should be paid for any drain line the Agency ran through his property and indicated he had pictures showing where the water had washed down the slope.

President Wexler inquired how long Mr. Lyons had lived in the house, and he responded he had been there since 1955 and the runoff was substantially greater since the grading had taken place. President Wexler indicated that staff disagreed that there was an increase in runoff and recommended further exploration of the legal issues.

Ms. Blomquist noted that Mr. Lyons had indicated his neighbors were also affected, and Mr. Lyons responded affirmatively indicating that he had six signatures attesting to the fact that they also had sustained damage from the water. Mr. Lyons submitted the signatures and pictures to Mrs. Jane P. Hale, Assistant Executive Director, Finance & Administration. Mr. Lee suggested that staff review the facts and report back to the Commissioners, and Mr. Hamilton indicated that if the Agency was responsible for any damages to the property it would cure the problems.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) In connection with the Stockton/Sacramento Approved Redevelopment Project, the Board of Supervisors upheld the City Planning Commission which granted a conditional use permit for a commercial parking garage to the joint sponsors of the Presbyterian Church in Chinatown and Arcon/Pacific housing development. The developer is now awaiting consideration and analysis of the project by the Department of Housing and Urban Development (HUD) so that a date for commencement of construction can be established.
- (b) There has been a bid opening on project loan notes for the Hunters Point and Stockton/Sacramento projects for \$1,750,000. There were six bidders and the successful bidders were Crocker National Bank and Wells Fargo Bank jointly at an interest rate of 3.43 percent. These notes replace those in June, 1977 of \$1,910,000 at 2.72 percent.

REPORT OF THE EXECUTIVE DIRECTOR

- (c) A dedication ceremony was held for the American Telephone & Telegraph Company building in Yerba Buena Center today and President Wexler and Vice President Shelley attended. Mayor George Moscone also appeared and noted that another building has been built in the project area.

UNFINISHED BUSINESS

- (a) Resolution No. 253-77 authorizing the Executive Director to enter into a disposition agreement with Jess Centeno, Jr., and Angelita L. Centeno, his wife, and execute necessary conveyance instruments; and ratifying and confirming publication of a notice of public hearing; all in connection with the sale of Parcel 780-D, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns disposition of Parcel 780-D, consisting of 3,019 square feet, in the Western Addition Area A-2 to Jess and Angelita L. Centeno for \$5,300 for development of a three-story duplex. Consideration of this item was held over from a previous meeting pending further consideration by WAPAC. Each of the two 7,700 square-foot apartment units will have three bedrooms and two baths and the Centeno family will occupy both units. Estimated cost of construction is \$120,000. Mr. Centeno will act as his own general contractor and will be required to respond and comply to the affirmative action requirements.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee and unanimously carried that this resolution be adopted.

NEW BUSINESS

- (a) Resolution No. 258-77 commending Isabel J. Trelut for service on the Residential Rehabilitation Loan Committee, Western Addition Approved Redevelopment Project Area A-2.

This concerns a commendation to Isabel J. Trelut for her services rendered as chairperson of the Residential Rehabilitation Loan Committee for Western Addition Area A-2, during which time almost \$3 million in rehabilitation loans were approved for 26 area properties containing 185 units. Mr. Hamilton indicated that it was hoped Mrs. Trelut would have been present but she was unable to attend the meeting.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 257-77 appointing members to the Residential Rehabilitation Loan Committee, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this was a companion resolution and was a recommendation that Mr. Felton Williams be appointed to replace Mrs. Isabel J. Trelut on the Residential Loan Committee. Mr. Williams who serves on the Loan Committee for the City Employees Credit Union and is a court investigator with the Superior Court of California, City and

NEW BUSINESS (continued)

County of San Francisco, is highly recommended. Also, it is recommended that Mrs. Mary Rogers, whose term expires next month, be reappointed for a two-year term.

Mr. William McClure, Director of Rehabilitation, indicated that Mrs. Trelut was unable to be present but indicated that she was a modest, hardworking person and he would take back to her the commendation of the Commissioners. He indicated that Mr. Fulton Williams was present. Mr. Williams came forward and in response to President Wexler's question as to why he was willing to assume the extra burden of serving on the loan committee, Mr. Williams replied that this was his second year as Chair of the Loan Committee and the Credit Union had made some home loans in the area and although he no longer lived in the area he still had an interest in it and wished to serve the community. Ms. Blomquist asked where Mr. Williams now lived, and he responded he lived in the Ingleside area. In response to Ms. Blomquist's inquiry, Mrs. Rogers indicated that WAPAC was agreeable to the appointment.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that Resolution No. 257-77 appointing Mr. Felton Williams to replace Mrs. Isabel J. Trelut on the Western Addition Area A-2 Residential Loan Committee, be adopted.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that Resolution No. 257-77 reappointing Mrs. Mary Rogers for a two-year term to the Western Addition Area A-2 Residential Loan Committee, be adopted.

Mr. Glickman inquired if any of these people were on WAPAC's board of directors and if there was any conflict of the Chairperson sitting on the Loan Committee, and Mrs. Rogers responded negatively. President Wexler indicated that the only conflict would be if any Committee member would vote on a case for themselves, and Mrs. Rogers responded that there was agreement among the Committee members that the affected person would not appear for that meeting.

- (c) Resolution No. 262-77 authorizing execution of addendum to agreement for disposition of land for low-to-moderately priced private housing redevelopment in connection with Parcel 677-B, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this item concerned an addendum to the disposition agreement with the M-J Associates, Ltd., on housing Site 14 in the Western Addition Area A-2 project area and would waive the consent requirements of the antispeculation and assignment provisions of the agreement and permit sale of limited partnership interests without specific approval of each sale by the Department of Housing and Urban Development (HUD) or the Agency. HUD has approved execution of this addendum, and the Agency approved a similar provision on the housing sites "A" and "B" in No. P50 since there is precedent for such action.

Ms. Blomquist indicated her concern because she was informed that the work would begin soon and she inquired if this could delay the construction of the project until the partnership was sold. Mr. Hamilton

NEW BUSINESS (continued)*

Indicated that if this matter was not approved this would delay the development since it had to proceed to final HUD endorsement. Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that HUD was ready and waiting for approval of the waiver and he had been advised there were no other issues to prevent the closing. He believed the development should close before the end of the year and that he had ascertained that the contractor's costs were holding firm and that the contractor is ready to proceed. Ms. Blomquist inquired if ground could be broken by January 15, 1978 and Mr. Suttle answered affirmatively.

President Wexler indicated that the proposed action would mean it would not be necessary to wait until the partnership is recorded and Mr. Suttle concurred. Ms. Blomquist indicated her concern about enforcing the antispeculation provision and Mr. Suttle responded that the names of the limited partners could be provided when they were known and that the Agency's real estate division would monitor the item.

President Wexler drew attention to an error on the third page of the addendum concerning the titles of Acting Executive Director and Assistant Secretary, which Mr. Hamilton indicated would be corrected.

ADOPTION: It was moved by Mr. Lee and seconded by Ms. Shelley that this resolution be adopted and on roll call the following voted "Aye":

Ms. Shelley
Mr. Glickman
Mr. Lee
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion passed.

President Wexler indicated he was not aware there was any objection and inquired of Ms. Blomquist her reason for opposing this item. Ms. Blomquist indicated that she believed the antispeculation provisions would be difficult to enforce and that she did not wish to waive the consent requirements.

- (d) Resolution No. 265-77 authorizing payment to Ernst & Ernst for auditing services performed in connection with the relocation of the Bird Cage Bar, Western Addition Approved Redevelopment Project Area A-2.

This concerns authorization of a \$2,500 payment to Ernst & Ernst for auditing services performed in connection with a claim for physical changes necessitated by a move to a new location of the Bird Cage Bar. The total cost of these services was anticipated to cost less than \$1,000 but because the work was more involved than originally anticipated the total fee was \$3,300, \$800 of which was paid by staff on the initial request.

NEW BUSINESS (continued)

Mr. Hamilton indicated that the firm's work was valuable in establishing eligibility of the relocation claim. Ms. Blomquist indicated that a relocation payment of \$60,000 had already been paid to the owner and could exceed \$100,000. Mr. Earl Mills, Deputy Director for Community Services, indicated that at the time this claim was advanced there was no limit on such claims and that staff verified the expenses and sent them to HUD for consideration. Now there is a limit of \$100,000 and HUD must approve anything over that amount. Ms. Blomquist inquired how a determination was made and Mr. Mills indicated that staff had to verify the work done on the basis of an architect's support of the claim. HUD then reviews it to determine the eligibility.

President Wexler noted that the disbursement to Ernst & Ernst for their auditing services was before the Commissioners for consideration.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 259-77 authorizing settlement of claim by Maisin Development Corporation for reimbursement of costs related to debris encountered on Sutter Apartments, Site MR-1(b), Western Addition Approved Redevelopment Project Area A-2.

This item concerns settlement of a claim from Maisin Development Corporation in connection with costs related to removal of debris in this area and Maisin Development Corporation had to dispose of this debris. The original claim for \$26,067 was evaluated by staff and found to include items beyond the Agency's responsibility, and after several meetings it was agreed that the claim could be settled for \$10,508.30 contingent upon HUD approval.

Ms. Blomquist observed that this item had been submitted to the insurance company providing the performance bond on the work and suggested waiting until it is known whether the company will disapprove the claim or not. Mr. Hamilton responded that the legal staff believed there was no question that the Agency was liable for the items recommended for payment. Agency General Counsel Leo E. Borregard concurred. Mr. Glickman asked if the Agency's liability was separate from the recuperation, and Mr. Borregard replied affirmatively. President Wexler indicated that if the bonding company were to deny the claim the Agency would institute action against the company but expressed his belief that staff action should be commended because he believed that the Agency was liable to pay and pursue its legal remedies as a separate issue and not keep companies waiting for such settlements.

Ms. Blomquist asked when the demolition had occurred, and Mr. Hamilton responded it was December, 1975. Mr. Lee inquired about the total contract price, and Mr. Lindbergh Low, Senior Engineer, replied it was over \$50,000 and that the Agency had paid the demolition contractor some time ago. President Wexler indicated that the money would be recouped from the demolition contractor's bonding company.

Ms. Blomquist inquired what the debris was and Mr. Low indicated it was 9,000 cubic yards of soil unsuitable for construction.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Glickman and seconded by Ms. Shelley that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Lee
Mr. Glickman
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion passed.

- (f) Resolution No. 256-77 authorizing the Executive Director to enter into a land disposition agreement with CDA-TODCO, Inc. for development of housing for lower-income elderly households on Parcel 3751-R and to execute a deed for conveyance of said parcel; making certain findings and determinations in connection therewith, Site 4, Yerba Buena Center Approved Redevelopment Project Area D-1.

Mr. Hamilton indicated that this was the subject of the public hearing just held and concerned disposition of Housing Site 4 in Yerba Buena Center to the joint sponsorship of TODCO and Caballeros de Dimas-Alang for construction of 147 units of housing for the elderly. The eight-story building is to be entirely Federally subsidized and no use of the City's hotel tax funds will be utilized. The disposition price is \$73,500.

Mr. Hal Dunleavy, housing consultant, came forward and indicated that in reference to a memorandum addressed to the Commissioners by Mr. Hamilton, dated December 7, 1977, on page 2, paragraph 1, there is a statement to the effect that the firm commitment is expected in January, but this is incorrect and it is now anticipated in March. This housing is to be built under Section 202, using Section 8 subsidies. Mr. Dunleavy indicated that HUD was still developing its requirements for Section 202 housing and he was in the process of completing additional exhibits. The process is being simplified and it is anticipated that future projects can move faster. Mr. Hamilton asked if there were new dates, and Mr. Dunleavy indicated that he believed construction could be started about mid-March. President Wexler thanked Mr. Dunleavy for his explanation because the Commissioners appreciated having realistic information. He inquired if this delay would affect staff recommendations in terms of timing of the disposition agreement, and Mr. Hamilton responded negatively. Mr. Dunleavy indicated he would try to expedite the matter and President Wexler indicated that if he needed further assistance, to let staff know.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (g) Resolution No. 264-77 awarding Site Improvement Contract No. 22-A to Nibbi-Lowe Construction, Hunters Point Approved Redevelopment Project Area NDP A-5.

President Wexler indicated that this item would be held over for one week.

- (h) Resolution No. 261-77 approving Change Order No. 17-4 to Site Improvement Contract No. 17, Hunters Point Approved Redevelopment Project Area NDP A-5.

This represents a change order to Site Improvement Contract No. 17 in Hunters Point housing area "C" for \$21,500, bringing the total amount of change orders under the original contract of \$1,885,709 to \$34,340, or 1.8 percent of the contract bid amount. This change order was necessitated by a design change in the wall construction and by an extension of a city water main into the San Francisco Housing Authority project. Because a portion of the work under the change order was delaying the contractor, the Executive Director authorized that that portion proceed at a cost of \$9,855. There are change orders in the amount of \$11,645 remaining that the Commissioners are being requested to approve and it is requested that the Commissioners ratify the \$9,855 in costs previously authorized.

Ms. Blomquist asked if the change orders totaled \$34,340, and Mr. Frank Cannizzaro, Project Engineer, responded affirmatively. She inquired what about the contract bid amount of the next highest bidder, DeNarde Construction Company, and Mr. Cannizzaro indicated it was \$1.9 million.

Ms. Blomquist asked if this would have changed the award of the bid, and Mr. Cannizzaro indicated it would not since this work was unanticipated in the contract bid invitation. He stressed that these were unanticipated revisions to the design. Ms. Blomquist asked why these changes could not be determined in the beginning and he responded that the two change orders had to do with subsoil conditions and there was no way of knowing what they were and that the revisions in the water mains were requested by the City after the contract was awarded.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (i) Resolution No. 252-77 extending exclusive negotiation rights jointly to the Presbyterian Church in Chinatown and Arcon-Pacific, Inc. for the purchase of the project area in the Stockton/Sacramento Approved Redevelopment Project Area until June 30, 1978.

This item concerns an extension of exclusive negotiating rights for the Presbyterian Church in Chinatown and Arcon-Pacific, Inc. as the housing sponsor and nonresidential developer, respectively, for the Stockton/Sacramento Approved Redevelopment Project to June 30, 1978 from December 31, 1977. The sponsors originally were designated on March 12, 1974 and since then legal impediments have been removed, the Environmental Impact Study has been completed, and working drawings and specifications have been completed and are under HUD review. Construction is anticipated to start in June 1978. Mr. Hamilton noted that the resolution indicated a one-year period and this would be amended to read six months, or until June 30, 1978.

Ms. Blomquist inquired about the status of the lawsuit of the adjacent property owners and Mr. Borregard responded that the request for a rehearing

NEW BUSINESS (continued)

is before the District Court of Appeals so he did not know the status. He believed that there was still some time for the opponents to petition for a hearing in the Supreme Court. Ms. Blomquist asked that she be advised of the dates and Mr. Borregard indicated he would notify her. President Wexler indicated that unless there is a rehearing by the Court of Appeals or the Supreme Court agrees to hear an appeal, the matter will be concluded. Mr. Borregard indicated that the District Court of Appeals denied the petition.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted with the extension to June 30, 1978.

- (j) Resolution No. 260-77 approving ordering pest control services from the Department of Public Health, all projects.

This concerns authorization of a work order for \$23,000 to the Department of Public Works to continue rodent control services for 1978 for all projects. This work must be done by the Department of Public Health in accordance with State requirements governing the toxic poison used in the killing of rats. The work order provides for the services of one Senior Rodent Controlperson and for the materials needed in the extermination work. Mr. Glickman inquired if the Agency were responsible for the rats, and Mr. Mills responded that because of the demolition activities of the Agency, the rats are shaken into activity and spread.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (k) Resolution No. 240-77 authorizing staff attorneys to accept service of process on behalf of the Agency and Agency Commissioners in their official capacity.

Mr. Hamilton requested Mr. Borregard to comment on this item. Mr. Borregard indicated that State law is specific on the matter in which process may be served on the Agency. In the past when someone comes to the legal division to serve process the staff has by practice accepted such service. Staff is recommending the Commissioners adopt a policy statement continuing this practice in matters where the Agency Commissioners are requested in their official capacity, thus avoiding serving the Commissioners in their individual places of business or residence. This is not a substitution of authority but an addition to State law procedures. President Wexler inquired if all Commissioners had been contacted and no objections were made, and Mr. Borregard responded affirmatively.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton indicated that by direction and mandate of the Board of Supervisors the Agency has responsibility for the survey and planning of the

Northeastern Waterfront and in that connection the Port of San Francisco has requested through Mr. Toby Rosenblatt, Chairman of the Citizens' Advisory Committee on the Northeastern Waterfront, that the shipping industry be represented on this Committee. Mr. Hamilton recommended that the resolution appointing citizens to serve on the Committee be amended, to include the appointee, Mr. Werner Leward, who is President of the Trans-Pacific Transportation Company, and his alternate, Mr. Al Wenzell, who is Vice President of the Prudential Lines, to serve as requested by the Port.

MOTION: It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that Messrs. Werner Leward and Al Wenzell be appointed to serve on the Citizens Advisory Committee on the Northeastern Waterfront. as requested by the Chairman of that Committee.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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7/77
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF DECEMBER, 1977

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of December 1977, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Dr. Hannibal A. Williams

FEB 17 1978

and the following was absent:

DOCUMENTS DEPT.
S.F. PUBLIC LIBRARY

Walter F. Kaplan

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, Michael Harper, Teall Henderson, Ed Crocker, and Essie Collins, Western Addition Project Area Committee (WAPAC); George Yamasaki, Jr., Susumu Seiki, and Yori Wada, Nihonmachi Community Development Corporation; David Gold and Chuck Cid, Metropolitan Parking Corporation; Willa Jones, Bayview-Hunters Point Joint Housing Committee; Albert Landis, Landmarks Advisory Board; Ted Frazier, Gerry Grace, Mauricio Aviles, Willie Kelley, Maria Palermo, and Primo McGrew, Jr., San Francisco Coalition; Martha Senger, Goodman Group; and Jerry Bunker, Coalition to Support Nihonmachi Tenants.

Representing the press were Gerald Adams, San Francisco Examiner; Karen Howze, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of November 29, 1977, as corrected, and as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of a Regular Meeting of December 6, 1977 as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127 A(2), 1249-51 Scott Street, San Francisco, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127A(2),

SPECIAL APPEARANCES (continued)

Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (b) Request from Mr. Susumu Seiki to appear in connection with Parcels 686 G and L, corner Laguna and Post Streets, San Francisco, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that a request had been received from Mr. Susumu Seiki of the Seiki Hardware Company to appear before the Commissioners in connection with Parcels 686 G and L at the corner of Laguna and Post Streets in the Nihonmachi area. Mr. Seiki is requesting a policy statement from the Agency regarding the disposition of these two parcels which are now designated for clearance and conveyance to the Nihonmachi Community Development Corporation (NCDC). Mr. Hamilton indicated that Mr. Seiki has been waiting for some time for the site to begin development of a two-story building into which he will expand his hardware business with some additional commercial space. Before proceeding with his plans, Mr. Seiki has asked the Commissioners to reaffirm their policy on the proposed disposition. Mr. George Yamasaki, Jr., Mr. Seiki's attorney, came forward and indicated that he would address the Commissioners on behalf of his client. Mr. Yamasaki indicated that they wished to have the Commissioners reaffirm the Agency's commitment made in 1962 to clear the site at the corner of Laguna and Post Streets so that Mr. Seiki may proceed to develop it in accordance with the Agency's Redevelopment Plan and the NCDC Master Plan. He noted that Mr. Seiki has submitted plans and relied on the Agency's commitments that he would receive a cleared site and he has spent considerable sums of money toward development of the parcel. Mr. Yamasaki indicated that Mr. Seiki operates a hardware store adjacent to the parcel and wishes to expand the store onto the new site. Mr. Yamasaki noted that there were proposals to renovate the existing building but it would be most appropriate for Mr. Seiki to accomplish his development by constructing a new structure. The present building at the corner has been determined by the Agency staff and others to be out of scale with the development in the Nihonmachi area and out of character since it is a Victorian structure. Mr. Yamasaki indicated that this corner had added importance because it was the Post Street gateway to the Nihonmachi area. Mr. Yamasaki also expressed concern that if the terms of the NCDC agreement were not followed, Mr. Seiki may lose his developer rights. He indicated that the Nihonmachi Community Development Corporation had allocated this cleared site to Mr. Seiki and if it was not available as a cleared site there would then be some question of whether the allocation process would have to be repeated again. Mr. Yamasaki submitted to the Agency Secretary a petition which he indicated was signed by over 400 people who are in support of the revitalization of the Nihonmachi area and who have requested that the Agency honor the 1962 commitment made through adoption of the Master Plan for the area. He also noted that Mr. Mas Ashizawa, President of the Nihonmachi Community Development Corporation, had written to the Agency asking for reaffirmation of the Agency's policy on clearing this parcel and that Mr. Yori Wada, Vice President of the Nihonmachi Community Development Corporation was present to address the Commissioners on the issue.

SPECIAL APPEARANCES (continued)

President Wexler indicated that Messrs Seiki and Wada would be invited to speak and also that he believed representatives from the Western Addition Project Area Committee (WAPAC) may wish to be heard on the matter. As to Mr. Yamasaki's concern that Mr. Seiki may lose his developer rights, President Wexler inquired if this issue was not solely within the jurisdiction of the NCDC. He suggested that it appeared the property could be rehabilitated if it was agreed upon ahead of time that Mr. Seiki would still be assured of his rights to the parcel. Mr. Yamasaki indicated this was true. President Wexler inquired if Mr. Seiki had explored this with the NCDC and Mr. Yamasaki responded he believed this was premature. He indicated his client was relying on the Agency's commitment to provide a cleared parcel. President Wexler indicated that Mr. Seiki apparently did not want to do anything that would jeopardize his rights to the property but it appeared that he may be interested in renovating the existing building if he does not run the risk of losing his right to allocation of the parcels. Mr. Yamasaki responded that this was an alternative for his client to consider but that Mr. Seiki preferred to be provided with a cleared site.

Mr. Glickman inquired what uses were presently in the existing building and Mr. Yamasaki replied there were only three tenants, one being a barber shop and the other two residential tenants. He indicated that the commercial tenant had signed the petition supporting completion of the NCDC Master Plan and the others were out of town. Mr. Glickman inquired how many apartment units were in the building, and Mr. Seiki responded there were four units.

President Wexler commented that Mr. Yamasaki had mentioned that Mr. Seiki had expended considerable sums of money and asked what these sums represented. Mr. Seiki came forward and responded that for nine years he had been the developer designated by the NCDC for the corner site at Laguna and Post and had been allocated that land as a cleared site. He indicated that he did not wish to pursue his plans for development further until the Agency clarifies its position but noted that he needed to have a decision soon because the NCDC is pressuring him to begin his development. He stressed his wish to finish the project and indicated that he had already spent about \$25,000 for such items as the down-payment to the Agency and for his pro rata share to the Nihonmachi Parking Corporation and for architectural drawings.

Dr. Williams observed that the expenditure for parking and his down-payment to the Agency would not be lost; therefore, the only item in jeopardy would be the architectural fees for plans and he inquired how much this was. Mr. Seiki estimated that he had paid \$10,000 for architectural work. President Wexler inquired if Mr. Seiki had considered the possibility of renovating the existing building since it appeared to be economically feasible to rehabilitate provided Mr. Seiki received assurances from the NCDC that this action would not jeopardize his allocation rights to the property. Mr. Seiki answered that he was just exploring this possibility but that he preferred a cleared site.

Mr. Lee noted that mention had been made that Mr. Seiki had submitted plans to the Agency's staff and he asked if WAPAC was apprised of the development. Mr. Seiki responded that these plans had been submitted to the design review

SPECIAL APPEARANCES (continued)

committee of the NCDC for approval over six months ago. President Wexler indicated Mr. Seiki's request for a determination as to whether to rehabilitate or demolish the structure was an issue that the Commissioners should consider, but indicated that it was necessary for them to have additional information. This included ascertaining the position of the NCDC on the retention of the building.

Mr. Yori Wada, Vice President of the Nihonmachi Community Development Corporation, came forward and indicated that he served as liaison between the NCDC and WAPAC because he was on the Board of Directors of the Corporation and was also on the WAPAC Board. He noted that this sometimes caused conflict for him when the two organizations did not hold the same position. He indicated that Mr. Seiki was in a difficult position because the property was allocated to him by the NCDC to build a new building and expand his hardware store and to retain the existing structure would change the design of the development for that corner from the Master Plan. The new building proposed by Mr. Seiki would be of Japanese design and complement the other new development in the Nihonmachi area. Retention of the present structure would negate the overall Japanese motif and it would not fit in with other buildings in the area. At the time of allocation of the property there was no consideration of rehabilitating the building and Mr. Seiki was not assured of an allocation in the event the building was to be retained.

Mr. Wada indicated that the Agency has a policy which requires that if the designation of a building is changed from demolition to rehabilitation, it must be offered back to its original owners (who have since died). Mr. Wada indicated that the estate was now in probate but in the event the estate would like the property back then it could not be offered to Mr. Seiki. He again expressed the belief that Mr. Seiki would rather have the building demolished and be permitted to develop a new building. President Wexler indicated that it appeared the property could be awarded to Mr. Seiki for rehabilitation and releases of interest would have to be obtained from the estate, heirs, or prior land owners, and Mr. Wada concurred.

Dr. Williams indicated that originally there were about thirty Japanese members of the WAPAC organization and stressed his belief that it is WAPAC's desire to be representative of the entire Western Addition community. He expressed concern that there appeared to be some question about the support the Nihonmachi community gave to WAPAC and that this made it difficult for WAPAC to comment on matters in the Nihonmachi area.

Mr. Wada indicated that this was a problem area which he believed could be corrected and added that Messrs. Yamasaki and Seiki had met with Mrs. Mary Rogers and Mr. Arnold Townsend to discuss this matter. Mr. Seiki was to have again contacted Mrs. Roger prior to WAPAC's formulating its position on what would be done with the property but this was not done. Mr. Wada indicated that basically Dr. Williams was correct in his statement and that the NCDC should work more closely with WAPAC and he believed this step should have been taken before the matter was considered by the Commissioners. Mr. Wada indicated that in his role as liaison between the Corporation and WAPAC he would attempt to achieve better coordination.

SPECIAL APPEARANCES (continued)

In response to Ms. Shelley's inquiry, Mr. Wada expressed his belief that an agreement could still be reached between WAPAC and Mr. Seiki. Mr. Wada indicated that he also believed that the Nihonmachi Community Development Corporation still wished to have that building demolished to permit construction of a new structure consistent with the design of the Nihonmachi area. Ms. Shelley indicated that this determination also had to include WAPAC's position.

President Wexler inquired if former owners were entitled to sponsor's rights, and Mr. Borregard replied that in his opinion there was no legal requirement to that effect but that he would examine the Agency's regulations concerning the reoffering of parcels. Mr. Hamilton indicated that he believed that Agency policy would require the reoffering of the property to the heirs since the previous owner was deceased. President Wexler indicated that it appeared this aspect needed further study. Mr. Borregard agreed, noting that this depended upon Agency policy but reiterated that there was no legal requirement.

Mrs. Rogers indicated her hope that Mr. Seiki would continue to communicate with WAPAC. She believed the Agency did not fully consider WAPAC in connection with matters pertaining to the Nihonmachi Community Development Corporation and stressed that the memorandum of understanding between the Agency and WAPAC included the entire project. She indicated that Mr. Seiki had spoken with WAPAC but there had been no agreement. She suggested that they meet again because she believed the matter could be resolved but urged that if the building could not be rehabilitated because of the requirements of the Nihonmachi Master Plan, that Mr. Seiki would work with the community to include housing on the site. She expressed concern because she believed there was a moratorium on demolition and, further, that the 80-year-old building was one WAPAC had recommended be retained as a landmark. In response to President Wexler's comment, Mrs. Rogers reaffirmed that the Agency had requested WAPAC to evaluate the building and WAPAC had recommended it for rehabilitation. She indicated that if the building is not to be rehabilitated, she believed it would take six months to relocate the tenants. She noted that there were four large three-bedroom units in the existing building which could be rehabilitated less expensively than constructing a new building on the site. She urged that there be a meeting to decide what to do. President Wexler indicated that irrespective of the moratorium on demolition, Mr. Seiki has some legitimate concerns which the Commissioners need to consider because if he rehabilitates the building he may lose his rights to acquire it. Mrs. Rogers asked that such issues be directed to WAPAC for consideration because she believed that if this had been done there would be no problem. She was concerned that agreements were made without considering WAPAC and then WAPAC was asked to take a position. President Wexler asked what WAPAC's position was and indicated that the Commissioners had not dealt with anyone before the meeting, and Mrs. Rogers reiterated her statement that everything should first be brought to WAPAC.

Dr. Williams stated that all issues should be referred to WAPAC and that contact should be made with them. President Wexler concurred and asked if staff wished to comment.

SPECIAL APPEARANCES (continued)

Mr. Hamilton indicated that several meetings occurred before Mr. Seiki had written requesting a clarification of the Commissioners position. He indicated that it appeared there was a need to research the question of policy and law concerning reoffering a parcel to previous owners. He suggested that the matter be referred to WAPAC for further discussion, after which it will be evaluated by Mr. Borregard regarding the question of law.

Ms. Blomquist asked if it would be formally calendared or whether the Commissioners would be requested to make a decision today, and Mr. Hamilton indicated it would be calendared as a consideration item at a later meeting. President Wexler inquired if this was satisfactory to Mr. Seiki, and Mr. Yamasaki answered affirmatively, but noted that they were anxious to have the Agency's agreement with reaffirmation as soon as possible but he understood the need to research the matter. He indicated willingness to again discuss the matter with WAPAC but noted that they had not previously been able to reach an agreement. He did not feel there were new issues to discuss. He asked when the matter could be calendared and President Wexler indicated that staff would bring the matter back with an appropriate speed when the meetings and evaluation were complete. He urged that Messrs. Seiki and Yamasaki meet with WAPAC. Ms. Blomquist inquired if WAPAC could make a decision within the next two weeks, and Mrs. Rogers responded affirmatively. President Wexler indicated the item would be calendared in two weeks' time.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The appointment of Charlotte Berk as a proposed Commissioner has been called out of Committee and is scheduled to be heard by the full Board of Supervisors on January 3, 1978.
- (b) The Board of Supervisors Planning, Housing and Development Committee meeting has been cancelled for today, therefore, the matter pertaining to the Agency was to be rescheduled.

NEW BUSINESS

- (a) Resolution No. 264-77 awarding Site Improvement Contract No. 22-A to Nibbi-Lowe Construction, Hunters Point Approved Redevelopment Project Area NDP A-5.

President Wexler indicated this item would be held over one week for further evaluation by the legal staff.

President Wexler indicated that because of the long agenda and the fact that some of the Commissioners needed to leave early, subject to objections, the election of officers, Item 9(k) would be taken up out of order. There were no objections.

- (k) Election of officers.

President Wexler indicated that the Agency's By-Laws required that an annual

NEW BUSINESS (continued)

election of officers be held at the last regular meeting of the year or the first meeting of a new year. He then opened the meeting for nominations.

Ms. Shelley nominated President Wexler for the office of President, and Mr. Glickman seconded the nomination. Dr. Williams commented that the position of President was a difficult one and that President Wexler had always been willing to take the time needed to fulfill those responsibilities and he believed that President Wexler had done an excellent job.

MOTION: Mr. Lee moved that the nominations be closed, and Dr. Williams seconded the motion. President Wexler was unanimously elected President of the Agency for the year of January 1, 1978 to December 31, 1978.

Ms. Blomquist indicated that she had voted for President Wexler because she had no alternative. She believed President Wexler was an excellent President; however, it was her opinion that the position of President should be a rotating one so everyone has an opportunity to serve because it is more democratic. She expressed the hope that this would be done next year.

President Wexler thanked everyone for their vote of confidence and indicated his pleasure in serving with such hard-working Commissioners. He expressed his compliments to the staff, also.

Dr. Williams nominated Ms. Shelley for the office of Vice President, and Mr. Lee seconded the nomination.

MOTION: It was proposed by Dr. Williams that the nominations be closed, and Mr. Lee seconded the motion. Ms. Shelley was unanimously elected Vice President for the year of January 1, 1978 to December 31, 1978.

Dr. Williams nominated Mrs. Sause for the office of Secretary, and Ms. Shelley seconded the nomination.

MOTION: It was proposed by Dr. Williams that the nominations be closed, and Mr. Lee seconded the motion. Mrs. Sause was unanimously elected Secretary for the year of January 1, 1978 to December 31, 1978.

Ms. Shelley nominated Mrs. Jane P. Hale for the office of Treasurer, and Mr. Lee seconded the motion.

MOTION: It was proposed by Dr. Williams that the nominations be closed, and Mr. Lee seconded the motion. Mrs. Hale was unanimously elected Treasurer for the year of January 1, 1978 to December 31, 1978.

President Wexler indicated that this represented another step in the Commissioners' assignment of titles to those responsible for the work. Mrs. Hale expressed her appreciation.

MOTION: Dr. Williams moved to reaffirm Mr. Hamilton as Executive Director, and Ms. Shelley seconded the motion. The Commissioners unanimously reaffirmed Mr. Hamilton as Executive Director of the Agency.

NEW BUSINESS (continued)

- (b) Resolution No. 270-77 authorizing the Executive Director to contract with the Bayview-Hunters Point Joint Housing Committee as the project area committee for the Hunters Point and India Basin Industrial Park Projects.

Mr. Hamilton indicated that this concerned extension of a contract with the Bayview-Hunters Point Joint Housing Committee as the project area committee for the Hunters Point and India Basin Industrial Park Projects for \$88,375 from January 1, 1978 through December 31, 1978. He indicated that the Committee was scheduled to hold its election on January 9, 1978 and had served as the project area committee since 1969 and provided valuable assistance. Ms. Blomquist inquired what last year's contract had been and Mr. Earl Mills, Deputy Executive Director for Community Services, responded it was for eleven months at \$70,000.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 267-77 authorizing extension of funding for the Western Addition Project Area Committee (WAPAC).

This item concerns an extension of the Western Addition Project Area Committee (WAPAC) for a one-month period at the current rate of \$10,377.92 to permit additional time to develop a recommendation for next year's contract. Primary issues concern the number of staff and expertise needed to serve the community's interests in such complex issues as the restudy of the Fillmore area and the sweat equity and local development corporation programs.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

President Wexler indicated that, subject to any objections, Item 9(i) would be taken next out of agenda order. There were no objections.

- (i) Resolution No. 266-77 establishing a policy for interim use of cleared land in all redevelopment projects and rescinding Resolution No. 157-68.

Mr. Hamilton indicated this is a recommendation to rescind the existing policy for interim use of cleared lands which permits the Executive Director to offer such land for bids and to execute rental agreements with the highest bidder. The proposed resolution will authorize the Executive Director to continue seeking bids for all available lands but would establish the policy of bringing such bids to the Commissioners to consider and authorize execution of rental agreements. President Wexler inquired if the revision was acceptable to staff, and Mr. Hamilton responded affirmatively.

Mr. Lee questioned the 30 days' notice of termination provision in the rental agreements and expressed concern that there are generally substantial costs to the lessee to prepare the land for interim use and suggested that the Commissioners may want to consider guaranteeing tenants an occupancy period of up to six months before the thirty days' cancellation provision may be invoked by the Agency. He asked about the significance of that statement concerning "unusual circumstances", and President Wexler

NEW BUSINESS (continued)

indicated that all of the provisions were subject to approval of the Commissioners and this could be determined on an individual case basis. Mr. Hamilton concurred. Mr. Glickman noted that a six-month period could be guaranteed if extensive site preparation was required and questioned if this was sufficient time. Mr. Hamilton indicated that this was intended only to establish a minimum period to provide assurances that thirty-day notices would not be invoked prior to the six months' period. Mr. Glickman commented that it was the Commissioners' decision and this would have to be made beforehand. Mr. Hamilton indicated staff would make the evaluation and present a recommendation to the Commissioners. President Wexler inquired if Mr. Lee was satisfied with the response and he answered affirmatively.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

President Wexler indicated that there was another issue relation to this resolution which was a request from the San Francisco Coalition to use the lot at Mission between Third and Fourth Streets for a training program in partnership with the Metropolitan Parking Corporation in the Yerba Buena Center project area.

Mr. Hamilton noted that as a result of discussions with the Coalition and Metropolitan Parking Corporation, it has been agreed that no disbursement will be made of Coalition profits for purposes other than those consistent with the nonprofit status of the Coalition and that the distribution of revenues received by the Coalition from this endeavor will be subject to audit by the Agency. Also agreed upon was that the Agency maintain the right to audit the parking lot's operating account to verify income and expenditures. Meetings have been held with the Teamster's Local 665 and adjacent parking firms in the area.

Mr. Earl Mills reaffirmed this, noting that the Coalition had contacted all major parking lot operators in the City and had also had discussions with the Teamsters and none have expressed objections. He indicated that representatives from the Coalition and Metropolitan Parking were present to answer any questions.

Dr. Williams indicated that the Agency had a contract which had just been ratified with the Bayview-Hunters Point Joint Housing Committee and also an extended contract with WAPAC, however, in Yerba Buena Center there was a lack of a residential committee with whom to negotiate. He indicated the Agency had created and funded an organization called the San Francisco Coalition in Yerba Buena Center and inquired if the Coalition substantially represents the same interest in that project. Mr. Hamilton responded that there was a distinction in that although the Coalition is funded by the Agency and operates under an agreement and contract, its charge is different from that of WAPAC. The organization of WAPAC was established to involve itself with all aspects of the redevelopment program in Western Addition. There is no regional area committee in Yerba Buena Center since there are no residents in the area. The Coalition relates only to the affirmative action program in Yerba Buena Center. Dr. Williams commented that he supported the concept of providing jobs and training for people but that it was his belief that a semipublic body should not go into business

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although there is nothing to prevent them from forming a nonprofit entity. He expressed concern that there were insufficient controls to protect the Coalition.

President Wexler indicated his concern about proceeding with the agreement with the Coalition not because he did not highly regard the work of the Coalition, but because he would prefer to see it request an increase in its current contract for a training program rather than the proposed agreement. He was concerned that if the Agency agreed to this it would set a precedent and other groups would request that the Agency charge less than fair market value of rent for parcels to finance their good programs. He believed this backdoor funding was not appropriate. He indicated he could not justify saying "no" to other groups and would rather see the Coalition funded directly through its contract for appropriate activities.

Mr. Glickman indicated that the policy statement stated that land has to be put out to bid and he was concerned that this would be a violation of that policy. President Wexler indicated that this arrangement was within the Agency's purview to approve.

Ms. Shelley indicated that she understood the concern about backdoor funding aspects of the proposal but that she believed the overriding consideration in the proposal was the job training program. She asked if that could be considered if the resolution approving the San Francisco Coalition rental agreement was not adopted. President Wexler indicated that if the program was appropriate for the Agency to fund this could come through staff with a request to amend the Coalition contract for additional funds to provide for any suitable type of training. Dr. Williams indicated that it was difficult to maintain control and supervision of the agreement as proposed and the concept of training people was good if it is legal to do so but if this was legal then he believed that both WAPAC and the Joint Housing Committee should also be allowed to participate in such programs.

Mr. Lee recalled that the property had been vacant for some time and noted that he did not wish to see the lot go vacant if it could be converted into aiding the Coalition. President Wexler indicated there were other companies besides the Metropolitan Parking Corporation interested in this property. He believed it should be advertised so that award could go to the highest bidder. Mr. Glickman expressed concern about which organizations would be selected. He noted that other organizations would be interested in such opportunities to get funds for good causes and he was concerned how an equitable distribution could be made.

Mr. Hamilton referred to the policy adopted by the Commissioners, noting that it provides the authority to lease property for public benefit without going to bid. Mr. Glickman again noted that he would find it difficult to make a decision as to which organization would be chosen.

President Wexler indicated that parking concessions generate substantial sums of revenue to the Agency every year and this was different from making a parcel of land available for the sale of Christmas trees where there was nothing else which could provide income from the property at that time. Dr. Williams also questioned the propriety of awarding the property to an entity being funded by Agency resources, which proposed joining a private

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entity in a profit-making position. Mr. Hamilton indicated that the Coalition differed from WAPAC because its sole responsibility was job training and development of the affirmative action program. President Wexler inquired if the Coalition wished to comment.

Mr. Ted Frazier, Chairman of the San Francisco Coalition, came forward and indicated that the program had been instituted before the Commissioners had adopted their policy on interim use of cleared lands and that the Coalition was not in partnership with the Metropolitan Parking Corporation since the Corporation was only to provide technical assistance to the Coalition. He indicated that the lot on Mission was vacant and he saw the possibility of doing something with it and made the request for its use. In the course of developing the proposal, there had been meetings with representatives of Metropolitan and he was able to obtain its assistance in funding and training. The program is not intended to be a revenue-generating venture but was designed basically to develop basic skills for the trainees and to secure permanent jobs for them in the parking industry. He believed it was not "backdoor funding" since the program was consistent with the scope of the Coalition's responsibility and would stimulate jobs in the community. Mr. Frazier indicated that the participants would be eligible for permanent jobs in the parking industry and would be trained to participate on an entrepreneurial level. He believed this was a valuable proposal and asked for the assistance of the Commissioners to make this project a success. He indicated that Mr. Dave Gold of the Metropolitan Parking Corporation was present to answer any technical questions.

Ms. Blomquist indicated her agreement with Dr. Williams' statements but expressed her belief that the program had merit and inquired if the Agency could contract with Metropolitan Parking for the training program and the Coalition could provide the trainees. Mr. Frazier responded that the Coalition was different from poverty organizations and did not need people to advise how it should be operated. He indicated there were different components in the Coalition and it was an economic development component which was responsible for developing a working relationship with the private sector and unions. It had been determined by other operators who were contacted about the lot that it was economically infeasible for private development. Ms. Blomquist indicated her belief that the contracts with WAPAC, the Joint Housing Committee, and the Coalition were for specific purposes and this proposal was contrary to those objectives. Dr. Williams indicated he was not in opposition to the program but expressed the belief that the interested parties should consider incorporating themselves as another entity to carry out such a program. He believed that as a quasi-governmental agency funded by the Agency, this proposal will cause problems.

Mr. Frazier indicated he had complied with the guidelines given him by staff and he believed there was no problem, since many organizations seek funding from different sources. Dr. Williams indicated Mr. Frazier was being shortsighted and such authorities would harm the Coalition's primary responsibility.

Mr. Glickman indicated that he also agreed with Dr. Williams that the training program had merit and indicated his support for the Coalition.

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President Wexler asked if this meant support of an award without being put out to bid, and Mr. Glickman responded affirmatively. Ms. Shelley inquired what staff recommendation was and also the opinion of the Agency General Counsel.

At this time, Commissioners Glickman and Williams left the meeting at 6:00 p.m.

Mr. Hamilton reaffirmed the staff's recommendation that the contract be approved. President Wexler inquired why the Coalition could not work out training opportunities with various operators of parking lots and if it were appropriate to have the Agency expend additional funds to aid the performance of that training. Mr. Frazier responded that this was a pilot project. President Wexler indicated that this could provide a greater number of training opportunities and Mr. Frazier indicated that was a possibility but that the Coalition had this opportunity to provide jobs immediately and there was some possibility of expanding its training through CETA. President Wexler indicated that it did not appear that it would be necessary to have a specific lot, however, and Mr. Frazier stressed his belief that it was necessary to get the program started. He assured President Wexler that if the lot was needed for redevelopment, the Coalition could abandon it within 24 hours and asked that the Coalition be provided this lot to get its program started and noted that there were guarantees on the use of the fund through a joint system with the Agency staff and the Coalition.

MOTION: It was moved by Ms. Blomquist that Commissioners not authorize the agreement with the San Francisco Coalition but request that it explore the concept of expanding the training program by placing trainees with a number of parking lot owners.

Mr. Lee asked for an interpretation of the effect of Mr. Glickman's and Dr. Williams' comments on this motion, and President Wexler indicated that anyone not present at the meeting could not vote but he believed that Mr. Glickman favored the agreement as it now stood and Dr. Williams did not approve it but if it was approved would encourage WAPAC and the Joint Housing Committee to apply for a similar opportunity. Agency General Counsel Leo E. Borregard reaffirmed that the absent Commissioners could not vote on the matter.

Mr. Hamilton recommended that the item be properly calendared for consideration.

RULE OF THE CHAIR: President Wexler indicated that the item would be recalendared at the regular meeting. He requested that the staff provide additional information to the Commissioners to aid them in reaching a decision.

Mr. Frazier indicated his understanding that the Commissioners' adoption of a policy on interim use of cleared lands applied to future leases and noted that he had been working on this particular lot for the past three months. He noted that the Metropolitan Parking Corporation had spent money and both he and they urged that the Commissioners implement this training program. Unless there is some question on the merits of the

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program he failed to see why it could not be acted upon.

President Wexler stated that the policy adopted was effective immediately and that he had ruled that the matter concerning the Coalition would be calendared for consideration at the next meeting, and he believed that the Commissioners cannot act on it this week. Ms. Shelley indicated that she favored the proposal but wished to have assurances that the proposal was in order.

Mr. David Gold of the Metropolitan Parking Corporation came forward and indicated that his firm possibly has more lots leased from the Agency in Yerba Buena Center than any other parking entity corporation and had achieved a good affirmative action program on these other lots. He indicated that his firm was willing to work with the Coalition on this lot as a project to train people for the work in other lots but that a private operator could not afford to overstaff its lots. He indicated that these trainees could eventually become entrepreneurs in their own right.

Mr. Arnold Townsend of WAPAC indicated that WAPAC had originally supported such a program two years ago when it approached the Agency with a similar proposal but was denied the opportunity. It was his understanding that it was because of the agreement with the Japanese Cultural and Trade Center that no further parking would be permitted near the Center. He believed that the Agency has destroyed places of business and now has some responsibility to provide activities until Yerba Buena Center is completed when it will provide employment and job training opportunities. Mr. Townsend believed that it was the Agency's responsibility to provide training opportunities.

President Wexler indicated that he was not concerned about spending money to provide training people if it were legal to do so but only was concerned that it be done by direct contract with the San Francisco Coalition. He inquired if Mr. Gold believed that Metropolitan Parking would be willing to train people at all on its lots, and he had replied that he wished to use only one lot for training but would then consider using these trained people in other parking lots. He indicated that the Agency had ultimate control over tenancy of any operator since they are on a thirty-day basis. He indicated the Agency had the option to terminate the rental agreement and put the lot out to bid if they did not find the training program satisfactory.

Mr. Lee believed the proposal of job training should be calendared next week. He was generally in favor of this use of the land which had been lying dormant for a long time.

In response to President Wexler's inquiry, Ms. Blomquist indicated she had made a decision on the issue and President Wexler indicated that he was attempting to ascertain the Commissioners' concern to give the staff guidance. Ms. Shelley suggested that the staff provide additional information on the financial aspects of the proposal and calendar it for consideration at a future meeting.

Mr. Maurice Aviles of the San Francisco Coalition came forward and indicated that he had been working on the affirmative action program but such work was

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without purpose if people could not find jobs. He noted that people were willing to work as was demonstrated by 25 people coming for interviews for our jobs. In his opinion, the Agency should help implement the program so there would be job opportunities.

President Wexler indicated that the item would be calendared for consideration at the next meeting.

RULE OF THE CHAIR: Subject to any objections. President Wexler ruled that item 9(h) would be considered next on the agenda. There were no objections.

- (h) Resolution No. 271-77 approving extension of designation as redeveloper for Parcel 714/A-1, commonly known as the Goodman Building and the Myrtle Street Flats, to Alan Wofsy and Associates, Western Addition Approved Redevelopment Project Area A-2.

This represents extension of developer rights to Alan Wofsy and Associates from January 1, 1978 to March 15, 1978. It is recommended that this extension be granted because of delays incurred in determining whether HUD will allocate Section 8 subsidies to the project. Mr. Hamilton indicated this delay was beyond the control of Mr. Wofsy and additional time is required to work out the language on preservation requirements in the disposition agreement. He indicated that Mr. Wofsy has performed on a timely basis.

President Wexler indicated that a letter had been received from Mr. Ed Crocker, WAPAC, supporting the extension proposal and asked Mrs. Rogers if this represented the WAPAC position and Mrs. Rogers responded that she was not aware of the others.

Mrs. Martha Senger came forward on behalf of the Goodman Group and introduced a spokesperson who indicated the Group's opposition to any extension of Mr. Wofsy's developer rights. She indicated that his program for rehabilitation of the building and keeping it available for the use of the tenants is unworkable under the Section 8 approach, in her opinion. She indicated that Mr. Wofsy had not met his deadline. She requested that bidding be reopened for the building and the Goodman Group Corporation be afforded an opportunity to present its development proposal.

President Wexler inquired if the Goodman Group or Goodman Group Corporation had discussed the matter with WAPAC, and Mrs. Senger responded that they had just learned that the extension was to be considered and had had no time to speak with anyone about it. She asked that a statement from Mr. Irwin Mussen be read into the record which indicated that the Goodman Group opposed the extension because Mr. Wofsy has had sufficient time to obtain financing and has been unsuccessful in doing so. Also, he believed that the integrity of the building would be destroyed by Mr. Wofsy, but the Group's proposal would preserve these integrities and it is in the process of seeking funds for its development package which would bring the building up to code as a hotel. They asked that bidding be reopened and a 60-day limit be placed on Mr. Wofsy's designation. President Wexler asked what position WAPAC had taken on this matter, and Mrs. Rogers responded that no position had been formulated since it had not been discussed with WAPAC by

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either Mr. Wofsy or Mrs. Senger. Mr. Hamilton indicated Mr. Wofsy had been performing as required of him and he needed additional time to meet HUD requirements which have just been enumerated. It is recommended that the extension be granted to him.

ADOPTION: It was moved by Ms. Blomquist and seconded by Ms. Shelley that this resolution be adopted.

Ms. Jerry Bunker of the Coalition to Support Nihonmachi Tenants requested and received permission to address the Commissioners. She indicated the Coalition's support for the Goodman Group and deplored the Agency's record of demolition in the Western Addition A-2 area. She also indicated her support for the Third World community. Ms. Shelley inquired if Ms. Bunker associated or perceived the Goodman Group as a Third World community, and Ms. Bunker replied that she did not think they were. Ms. Shelley then inquired what the relevance of the issue was and she replied that she believed the Goodman Group were united with other people to keep the building and that they united with working people.

ADOPTION: It was moved by Ms. Blomquist and seconded by Ms. Shelley that this resolution be adopted and on roll call the following voted "Aye":

Ms. Shelley
Ms. Blomquist
Mr. Lee
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President declared that the motion passed.

- (d) Resolution No. 250-77 finding that the John Swett Community Facility is of benefit to the Western Addition Approved Redevelopment Project Area A-2, and that no other reasonable means of financing said facility than a grant from the Economic Development Administration is available, and approving and authorizing an agreement with the City and County of San Francisco for the construction thereof, a public facility on the block bounded by McAllister and Webster Streets and Golden Gate Avenue and Buchanan Mall.

Mr. Hamilton indicated that this was a finding of the necessity for the John Swett Community Facility which is required by the Economic Development Administration for the purpose of developing the facility and this is a further step which finds that the EDA grant is the only means of financing the facility. This action would also authorize that the Executive Director execute an agreement with the City and County of San Francisco for construction of the facility and subsequently transfer of title to the City for operation and maintenance. Agency General Counsel Leo E. Borregard indicated that the grant was the only reasonable means of financing to build

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the facility. President Wexler noted that the resolution reflected this finding. He inquired if WAPAC supported this item.

Mr. Arnold Townsend of WAPAC came forward and indicated that WAPAC had concerns about the City building this facility because the City has been difficult to deal with on the affirmative action issues. He indicated that he had asked Mr. Borregard if the Agency could construct the building but was informed that it was illegal for the Agency to do so. He also indicated that the City was slow in paying its contractors and this could be a problem for black contractors. Ms. Blomquist inquired if Mr. Townsend believed a stipulation in the resolution on the affirmative action requirements would be helpful in enforcing the concept, and Mr. Townsend replied affirmatively indicating that the contract could be monitored by the Agency and WAPAC and urged that the Western Addition A-2 requirements for affirmative action be included in the contract. Mr. Hamilton indicated that the Agency contract incorporated these provisions and Mr. Townsend indicated that it was important to have additional emphasis on the issue because the City has its own affirmative action guidelines which let a lower standard for such considerations.

Mr. Borregard reaffirmed that the contract incorporated the Agency's guidelines and Mr. Townsend again noted that he believed the issues should be stressed. Mr. Borregard indicated that a statement of policy could be added to the resolution. Ms. Blomquist urged that language be added to emphasize the need to adhere to the Agency's affirmative action guidelines. Mr. Hamilton indicated he had no objections. Ms. Blomquist asked that the statement be made part of the resolution and suggested that the Executive Director and Agency General Counsel work out the language.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted with the addition of a paragraph expressing the concern of the Agency that the work be carried out in accordance with the appropriate affirmative action guidelines.

- (e) Resolution No. 251-77 authorizing execution of an addendum to a contract for architectural services with Jenkins-Fleming Architects, Incorporated, to design the John Swett Community Facility in the Western Addition Redevelopment Project Area A-2.

This concerns an addition of \$93,008 in architectural fees for the contract on the John Swett Community Facility with Jenkins-Fleming, of which \$40,020 is to be paid for by the Economic Development Administration (EDA). The original contract was for \$74,980 and this increase would bring the total contract to \$144,375. Mr. Hamilton asked Mr. Redmond Kernan, Deputy Executive Director for Planning and Development, to comment on this matter.

Mr. Kernan indicated that in January, 1976 the Jenkins-Fleming architectural firm entered into a contract with the San Francisco Unified School District for design of a new school and community facility for a fee of \$296,000. The District appropriated \$240,000 toward this fee with the remaining \$56,000 to be paid from construction funds resulting from revenue bonds.

NEW BUSINESS (continued)

The firm completed services worth \$285,328 when its work was stopped by the District and it has received \$235,000 of the \$240,000 from the District. The \$45,238 for work done beyond the District's appropriation applied to the community facility portion of the development and can be compensated from funds set aside in the 1975 Community Development budget for this purpose. When it became known that the District was not going to proceed with the combined facility, the architectural firm provided \$7,660 in services to permit submission of a grant application for construction of the community facility at the request of the Agency.

Ms. Blomquist indicated that a resolution had previously been passed for additional redesign costs, and Mr. Kernan answered affirmatively and noted that the total amount should have been included in the August addendum, but that the amounts were not known at that time and it was necessary to have the firm commence work. Ms. Blomquist inquired about the amount of \$74,980 and Mr. Kernan indicated that this included an additional \$23,000 for past work. President Wexler asked if WAPAC supported this item, and Mrs. Rogers answered affirmatively.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 268-77 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1127-A(2); Western Addition Approved Redevelopment Project Area A-2.

This was the subject of the public hearing and represents disposition of the eleventh of twelve Victorian structures originally moved by the Agency from other locations to new sites in Western Addition Area A-2. to John J. O'Dowd for \$7,300 for rehabilitation of private housing at 1249-51 Scott Street between Eddy and Ellis Streets. Mr. O'Dowd will use the Agency's Rehabilitation Loan Program for a \$60,000 loan. The contractor's cost for the completed rehabilitation of the duplex is \$75,000.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

Mr. Townsend urged that other people be given similar opportunities to rehabilitate Victorians. Mr. Hamilton indicated that no waivers were being considered in this case since the rehabilitation standards and the funds to meet minimum requirements of the rehabilitation program were being adhered to. He inquired about the time of performance stipulated, and Mr. William McClure, Director of Rehabilitation, indicated that the disposition agreement required completion within nine-months'.

- (g) Resolution No. 269-77 authorizing the Executive Director to enter into a legal services contract in connection with Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

This concerns a contract for outside legal services for the case of Gage vs. the San Francisco Redevelopment Agency with the firm of Pettit, Evers and Martin for \$50,000. The firm has an excellent reputation for handling complex litigation. Ms. Shelley indicated that she had been impressed with the quality of service experienced in dealing with the firm in connection with this case. Ms. Blomquist inquired if \$90 per hour was high and Mr. Borregard replied that the fees charged for attorneys are generally \$100 for senior members of firms.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (h) Item (h) was considered earlier on the agenda.
- (i) Item (i) was considered earlier on the agenda.
- (j) Consideration of retirement contributions for CETA employees. This represents consideration of the policy on payment of retirement contributions for CETA employee. It may become necessary in the event that CETA regulations and the Public Employees' Retirement System Law are not amended before October 1, 1978 in order to prevent any liability from accruing to the Agency. The CETA Act was amended in 1977 to provide that effective October 1, 1977 CETA funds could not be used to pay into retirement plans like PERS. CETA contractors were given a temporary waiver of the new regulations until October 1, 1978 so that workers already employed need not be terminated but the Agency was informally advised that if legislation is not passed then the waiver will be withdrawn possibly retroactive to October 1, 1977 and the Agency would have to pay the difference.


Ms. Blomquist inquired how long the CETA employees had been with the Agency, and Ms. Shirley Wysinger, Local 400 representative, responded that she knew of two people who had been with the Agency for five years first under the Emergency Employment Act and then under CETA and that others had been on staff three years or less. Ms. Blomquist asked if the Agency had an obligation to hire CETA people as vacancies occur and Mr. Hamilton indicated that the object was to bring them into permanent positions wherever there is an opportunity. In response to President Wexler's inquiry, Mr. Hamilton noted that it was the Agency's policy to utilize CETA personnel where appropriate. Mr. James Nybakken, Personnel Officer, indicated 30 CETA employees had been hired in the past three and one-half years.

MOTION: It was moved by Ms. Shelley and seconded by Mr. Lee and unanimously carried that the Agency declare its policy to support payment of retirement contribution for CETA employees if such payment became necessary.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:10p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause
Secretary





